FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,636 — Thursday May 30 1985 — D 8523 B

Obstacles loom large in European fighter project, Page 26

World news

Gemayel requests aid from Syrians

President Amin Gemayel of Lebanon, who narrowly escaped serious injury in an artillery attack on his residence, arrived in Damascus later to ask for Syrian help to stop the bloodshed in Beirut.

Gemayel is expected to have extensive talks with Syria's President Hafez Al-Assad on political and security arrangements for Lebanon after Israel's anticipated withdrawal by June 6. Page 4

Hospital and security sources in Beirut said that at least 300 people had been killed and more than 1,000 wounded in the recent battles.

French bus crash

At least seven people were killed and more than 40 injured when a bus carrying British schoolchildren overturned near Alès, southern France. The injured, at least ten of whom are in a serious condition, were taken to a nearby hospital.

N-power decision

The U.S. nuclear regulatory commission voted 4–1 to allow the reopening of the Three Mile Island plant in Pennsylvania, six years after the worst nuclear power plant accident in history.

EEC inflation

Annual inflation in the European Community increased to an average 6.1 per cent after a rise in consumer prices last month of 0.9 per cent. Unemployment fell to 11.2 per cent, according to Eurostat, the Community's statistics office.

Swedish wage deal

Swedish unions and employers reached agreement for a 3.6 per cent wage rise for 350,000 private-sector white-collar staff.

Famine relief rots

Food aid for Ethiopia's starving millions is piling up and rotting in Djibouti because neighbouring Ethiopia has failed to send sufficient railway wagons.

New cyclone

Another cyclone formed in the Bay of Bengal as Bangladesh received international aid commitments totalling $1.8m for victims of last Friday's cyclone, which killed up to 10,000. Page 4

Colombia's party

Colombia's biggest and oldest rebel group, the Revolutionary Armed Forces of Colombia (FARC), launched a national political party on the first anniversary of its truce with the Government.

Bhopal offer

Union Carbide, the U.S. chemical company, has increased its compensation offer for victims of India's poison gas disaster to $300m, according to an Indian newspaper.

Peru arrests 850

Police arrested 850 people in Lima in an anti-crime drive in the Peruvian capital. A police official said that 350 were freed after their identification was checked and the rest were suspected prostitutes, vagrants and delinquents.

Agent Orange fund

A U.S. federal judge ordered a $150m compensation fund to be set up for Vietnam veterans who prove that they were disabled by Agent Orange, and for survivors of those who allegedly died from exposure to the chemical defoliant.

Picasso damage

Australia will compensate Pablo Picasso's daughter Mariana for a hole an art gallery official's screwdriver put in one of her father's paintings. The paintings were insured for $304,591.

Business summary

Current account surplus for UK

BRITISH balance of payments current account moved back into surplus in April, partly as a result of a strong exporting performance. Page 11

NISSAN of Japan, the world's fourth largest car maker, posted a 22.6 per cent increase in pre-tax profits to Y148bn ($588.8m) for the year ended in March, despite a sluggish domestic market and keen price competition worldwide. Page 32

DOLLAR closed in New York at DM 3.0675, SwFr 2.579, FFr 9.345 and Y251.5. It fell in London to DM 3.0780 (DM 3.1130); SwFr 2.5875 (SwFr 2.6185); FFr 9.39 (FFr 9.4850), but improved slightly to Y251.70 (Y251.55). On Bank of England figures the dollar's index fell to 146.4 from 146.8. Page 49

STERLING closed in New York at $1.2750. It rose 1.60 cents in London to close at $1.2675. It also rose to DM 3.90 (DM 3.8950); FFr 11.90 (FFr 11.8650) and Y319 (Y314.75), but fell to SwFr 3.2775 (SwFr 3.2825). The pound's exchange-rate index rose 0.3 to 79.2. Page 49

GOLD rose $6.75 on the London buillion market to close at $316.50. In Zurich, gold rose to $312.75 from $311.25. In New York, the Comex June settlement was $315.5. Page 48

WALL STREET: The Dow Jones industrial average closed 1.46 up at 1,302.98. Section III

LONDON equities were unsettled by oil price worries and trade figures. The FT Ordinary index fell 7.4 to 999.1. Gilts firmed. Section III

TOKYO stocks reached another record high with a 72.24 rise to 12,767.17 in the Nikkei Dow market average. Volume swelled to 1.14bn shares. Section III

AN $8BN AUCTION in U.S. Treasury 5-year notes yielded on average for U.S. investors, $7.01bn on 9.95 per cent notes. The average yield on $1bn foreign targeted notes was 10 per cent.

SKF of Sweden received approval from the Spanish Government to take control of the loss-making SKF Española from the state holding company Instituto Nacional de Industria at a total cost of about Pta 2.6bn ($14.9m). Page 29

CHASE MANHATTAN confirmed it had completed negotiations to take over Madrid-based industrial Banco de Finanzas. Terms of the takeover deal, expected to be signed next month, were not disclosed but Chase is expected to raise the bank's capital and reserves from Pta 3.4bn to at least Pta 4.3bn ($24.4m).

LLOYDS BANK is to launch a merchant banking venture in July. It is the only one of the big four UK banks without one. Page 11

BORREGAARD: Three large shareholders rejected offers from Kosmos for their holdings, apparently thwarting merger plans between the two Norwegian groups. Page 29

FIAT, Italy's largest private-sector conglomerate, announced more than doubled net profits of L627bn ($317m), despite a dramatic rise in losses at the Dutch-registered Iveco industrial vehicles division. Page 29

CSR, Australian resources and building products group, achieved steady net earnings of A$91.7m ($61m) for the year to March 31, but took a beating from extraordinary losses from foreign exchange transactions. Page 32

INTERNATIONAL COFFEE Organisation (ICO) will take a tougher line against illicit sales to non-member countries in an effort to regulate trade.

CONSOB, Italian stock exchange regulatory authority, has finally been given the powers it insisted for years were necessary for it to act as an effective watchdog of Italy's capital markets. Page 29

U.S. battle lines drawn over Reagan tax plan

BY STEWART FLEMING IN WASHINGTON

President Reagan

PRESIDENT Ronald Reagan's plans for a radical reform of the U.S. tax system met a mixed reception yesterday with some leading Democrats cautiously endorsing the President's proposals to cut taxes for ordinary Americans even as lobbyists for those who will have to foot the bill prepared to fight to restore tax breaks they would be denied.

The President laid out his plans in a televised address from the Oval Office on Tuesday night full of rhetorical flourishes designed to rally support for a proposal which the White House claims would either reduce or leave unchanged the taxes paid by 79 per cent of individual taxpayers.

Administration officials make no secret of their hope that the President will be able to use the tax issue as a vehicle to revive the flagging political momentum of the second Reagan Administration and solidify blue collar voter support for the Republican Party.

Striking these populist themes, and with a touch of demagoguery in his refusal to acknowledge his own role in encouraging the exploitation of tax loopholes through the 1981 tax cuts, Mr Reagan said: "There is one group of losers in our tax plan, those individuals and corporations who are not paying their fair share. These abuses cannot be tolerated."

In the first response from the opposition Democratic Party, Mr Dan Rostenkowski, chairman of the House of Representatives Ways and Means Committee, which has the constitutional right to draft tax legislation in Congress, moved quickly to try to identify his party with tax reform.

"If the President's plan is everything he says it is, he will have a great deal of Democratic support in Congress," Mr Rostenkowski said.

Mr Rostenkowski left no doubt about the tough battles that lie ahead in Congress for the President's tax reform plans, battles that might could result in both delay and big changes in the package and may even halt its progress entirely.

The Reagan Administration is hoping that with the extensive concessions it has already made to different interest groups and by pitching the call for tax reform directly at the voter who will get most of the tax breaks, it will be able to secure rapid congressional approval.

Mr James Baker, U.S. Treasury Secretary, who will spearhead the campaign for the plan, said: "I think we have a fair shot of getting this through Congress this year ... you will see the President spend a considerable amount of time on this."

The Administration wants to avoid "a piecemeal picking away" at the proposal by individual interest groups that could destroy it, he said.

The President's plan would cut the number of individual tax brackets from 14 to three and lower the top marginal tax rate from 50 per cent to 35 per cent. Many existing tax deductions and breaks would be eliminated too however so that the biggest tax reductions would go to those in the three lowest tax brackets now and top income tax payers.

One import tax simplification proposal outlined by the President is for the creation of a voluntary system under which individuals could opt to let the Government prepare their tax returns, doing away with their own need to prepare tax forms.

Blueprint for reform, Page 4; Editorial comment, Page 26; Wall Street, Page 37

Ohio supports Lindner bid for Home State

BY WILLIAM HALL AND PAUL TAYLOR IN NEW YORK

MR CARL LINDNER, the secretive Cincinnati financier who has a reputation for being one of the shrewdest U.S. investors, yesterday won state backing for a last-minute bid for the failed Home State Savings Bank of Cincinnati, whose collapse in March precipitated a run on many small savings banks in the state of Ohio.

The surprise decision appears to be a serious upset for the New York-based Chemical Bank, which until yesterday appeared to be the only bidder for Home State. Mr Lindner's American Financial group, which already owns Hunter Savings Association and has a big insurance operation, won backing for the bid by seeking just $5m less than Chemical in support from the state of Ohio.

"The offer of American Financial's Hunter Savings Association unit would require less of the funds of the depositors' assistance corporation to be extended by the state than the offer by Chemical Bank," said Mr Robert McAlister, Ohio's superintendent of savings and loans.

Mr Lindner's American Financial Corporation put in its bid only hours before the Tuesday night deadline set by the Ohio state authorities. They were under tremendous pressure to find a buyer for Home State, which has been closed for 77 days, causing considerable financial hardship for the 85,000 local depositors whose money has been frozen.

Until Mr Lindner's last-minute decision to enter the race for Home State, Chemical Bank, which had offered to invest $30m to recapitalise the bank, had seemed almost certain to win control of Home State – a move that would have given the New York banking group an important foothold in the lucrative Ohio banking market.

Local Ohio financial institutions had until Tuesday evening to match Chemical's bid for Home State Savings. The Ohio authorities had already signed legislation to provide as much as $125m to facilitate the sale to Chemical.

Although the terms of Mr Lindner's offer were not immediately clear yesterday, it understood that his proposal only required the state to provide $120m in support.

Home State Savings, which was owned by another Cincinnati financier, Mr Marvin Warner, until its collapse on March 9 in the wake of the failure of ESM Government Securities, a small Florida-based bond dealer. It is the largest privately insured thrift in Ohio and has deposits of about $525m and 33 branches in Cincinnati, Dayton and Columbus.

Commerzbank seeks DM 425m through profit-sharing issue

BY JONATHAN CARR IN FRANKFURT

COMMERZBANK, one of West Germany's "big three" commercial banks, is strengthening its capital base through the issue of DM 425m ($138m) in Genussscheine or profit-sharing certificates.

It is the first private credit institution in West Germany to make use of this instrument although DG Bank, which is co-operatively owned, did so in January.

Genussscheine (also known as participation certificates)give bearers the right to share in bank profits, but not to vote at annual shareholders meetings.

The amended Banking Act, which took effect this year, recognises the certificates as a form of equity and thus as a base to support lending to customers.

The amended act stipulates that, after a six-year transition period, a bank's total group lending (including that of foreign subsidiaries) must not exceed 16 times its liable capital.

But, for the first time, the act also allows profit-sharing certificates to be counted in as capital for this purpose, provided they do not exceed 25 per cent of share capital plus reserves.

At the end of last year, Commerzbank's group lending totalled more than 22 times its liable capital. Thus with its new issue, which will boost capital from DM 3.1bn to DM 3.6bn ($1.17bn), the bank is taking a big step towards fulfilling the act's tougher provisions.

For the issuing bank, a key attraction of this method of boosting equity is that annual payments to holders of the certificates can be treated as a business costs for tax purposes.

For the public, the certificates offer an investment similar to that in fixed interest securities, but with the chance of a bonus on top.

Commerzbank is offering shareholders one certificate for every two ordinary shares in an issue to be made next month. The certificates will run for almost 11 years with an annual payout of 8.25 per cent of their nominal value.

At present, Commerzbank is paying a dividend of DM 6 per DM 50 share. For every 50 pfg by which the dividend is boosted above that level, bearers of the certificates will receive an additional payout of ½ per cent.

Stock market reaction, Section III

Renault to axe 18,000 car division jobs

BY PAUL BETTS IN PARIS

RENAULT, the financially troubled French state-owned car group, is planning to cut losses by shedding about 18,000 jobs in its car division between now and the end of next year.

The job restructuring proposals, which will be put to the unions at a special meeting next month, are part of the broad recovery strategy just finalised by M Georges Besse, Renault's new chairman.

The other two key components of his plan are financial measures to improve the group's liquidity and reduce the burden of its debts and a series of industrial measures to help Renault regain and enhance its competitiveness.

M Besse is seeking to negotiate with Renault's bankers a restructuring of its medium and long-term debts now totalling FFr 40bn ($4.26bn). The company also is negotiating with the Government, its sole shareholder, to inject further funds to help boost liquidity. Renault already is set to receive FFr 3bn from the Government as its annual capital endowment this year. The group also is planning to sell assets in a further effort to increase its cash resources.

M Besse will now directly run the group's French car operations – at present the principal source of the group's headaches. He will take over from M Pierre Sémérena, head of the Renault car divisions, who will be appointed to a more general position of deputy managing director.

M Besse has now completed his extensive review of the company's financial and industrial difficulties and is on the point of launching his recovery strategy.

But Renault has already shown signs of implementing that strategy in past weeks by abandoning a number of high-technology ventures and negotiating the sale of its 51 per cent controlling stake in the Bendix electronics components company to Allied of the U.S.

In an effort to improve Renault's balance sheet after record losses of FFr 12.55bn last year, M Besse has clearly placed the priority on cutting costs wherever possible and regrouping activities around its traditional car operations. Renault's difficulties have been compounded by the group's disappointing performance this year on the French market. The group is currently aiming for a 31 per cent share of the domestic market this year and an 11.5 per cent share of the European car market.

Renault expects to cut 10,000 jobs from its car division this year through early retirements and voluntary measures. This should bring

Continued on Page 28

UK's Logica seeks star wars contract

BY PETER MARSH IN LONDON

LOGICA, a leading British computer company, says it cannot afford to wait for UK government guidelines on participation in the U.S. star wars project and is negotiating with the Pentagon on a $200,000 software contract.

Dr Chris Dain, deputy managing director of the company's space and defence systems group, said the U.S. Defence Department had given a friendly reception to proposals by Logica to perform studies related to the $26bn Strategic Defence Initiative.

In the five-year research programme, engineers aim to devise the basis of a system that could shield the U.S. from Soviet missiles.

According to defence planners, the hardware could be based either on laser beams or on groups of electronically accelerated projectiles that destroy missiles under the direction of highly advanced computers.

Logica's disclosure of its discussions with the Pentagon is the first public sign that a British company plans to cement a deal on star wars before the Government has formally decided if UK participation is in the national interest.

Several British Government departments, led by the Ministry of Defence, are weighing up how to respond to the U.S. invitation, made to Nato countries along with Israel and Japan, to join in the research project.

Some UK civil servants are wary of participation. They say the project might divert scarce technical resources away from commercial projects.

The French Government has already decided not to take part. It

Continued on Page 28

More than 40 football fans die in Brussels cup final

By David Goodhart in Brussels

AT LEAST 40 people were officially said to have died and hundreds injured when a wall collapsed less than an hour before the start of the Liverpool versus Juventus European Cup Final in Brussels.

Official details remained sketchy last night, but most of the dead were apparently Italian Juventus fans.

The trouble began when some of the approximately 10,000 Liverpool supporters, crammed into one half of the terracing at the southern end of the ground, burst out of their confines and forced the Italian contingent to their right, down towards the perimeter fence behind the goal.

I arrived on the terracing behind the goal just after some of the fencing and concrete stanchions on the far right collapsed, trapping dozens of fans, mainly Italians.

Most of the fans left the area rapidly, many of them now running out on to the pitch where they were chased by mounted policemen.

It appeared that neither the fans nor the police realised the seriousness of the situation, as it took at least 20 minutes before first aid and ambulance personnel began to arrive in any force.

The first reaction of the Brussels police was to send in the riot squads to push the Liverpool fans back into their compound. "What else could we do? The first signs were that it was just a simple punch-up between opposing fans," said one police officer later.

Once the Liverpool supporters had been successfully recordoned, it became clear that a serious footballing disaster had occurred.

I was able to walk down to where the worst crush had been, to see the bodies of dead fans piled up in heaps surrounded by bits of fencing and lumps of concrete.

A few photographers and fans and policemen were also milling around, and still it appeared that the authorities did not appreciate the magnitude of the crisis.

Finally, at about 8 o'clock, 15 minutes before the game was due to begin, proper stretchers and first-aid facilities arrived from local hospitals and the construction of a "field hospital" outside the ground began.

Outside the stadium, fans of both teams sat stunned, many of them crying, others shouting in anger or frustration.

Mrs Margaret Thatcher, the UK Prime Minister, said those responsible for the deaths had "brought shame and disgrace to their country and to football."

The match was won 1-0 by Juventus.

CONTENTS

Cuts outlined in Italy's spending and social services

BY JAMES BUXTON IN ROME

ITALIAN GOVERNMENT ministers are studying a set of unappetising proposals from Sig Giovanni Goria, the Treasury Minister, by which Italy could reduce its state sector deficit to manageable levels by 1990.

Sig Goria is proposing significant cuts in government spending and the imposition of greater discipline on ministries and local authorities. But he is also saying that Italian citizens must accept that the state cannot go on providing welfare services and pensions with the generosity of recent years.

He will be pressing for the adoption of bis plan in negotiations over tha coming months on a programme for the Government to follow in the remaining three years of the current Parliament.

Sig Goria's plan is a detailed response to the basic problem of the Italian economy: the very high state sector deficit which produces rising accumulated debt, prevents inflation falling and keeps domestic interest rates at o very high level.

This year, Sig Gorio says, the state sector deficit will be L100,000bn (£40bn) or 14.8 per cent of gross domestic product —and that is on the assumption that L10,000bn is saved by means of increases in revenue or reductions in spending that bave yet to be decided. Accumulated debt will this year be 95 per cent of GDP, and next year it will exceed GDP by 2 per cent.

"The system is beading towards the point of breakdown," the miniater writes. Forecasts suggest, he says, that the economy will grow fairly slowly in the rest of this decade, with "a very slow and insufficient decline in inflation" and continued imbalance on foreign accounts. It is therefore essential that Italy cuts its state sector deficit in order to reduce inflation and lower interest rates, so that companies will have the best chance of competing in export markets.

The minister does not propose raising taxes, considering that the level of fiscal pressure (the proportion of GDP accounted for by taxation) is already high at 45 per cent. Bnt he would like to see a shift from direct taxation of incomes to more indirect taxation of goods and services.

His remedies for reducing the deficit include: raising the prices charged for services provided by the state (such as electricity) and providing discounts only to those really in need; attempting to deploy the state's employees in the civil service in a more cost-effective way; holding down spending on defence; saving money in education as the school population declines, and by increasing the cost of joining university and diploma courses; penalising wasteful local authorities; and reforming the bealth and pension systems to take account of the limited resources available.

Sig Goria estimates that if the plan was carried out and external circumstances were reasonably favourable, the state sector deficit would be halved to 7.5 per cent of GDP by 1990, national debt would be 111 per cent of GDP and both proportions would thereafter decline.

Andriana Ierodiaconou looks at the election drama as played out on one Greek isle

Ithaca will vote for promise of the good life

IN HOMER'S epic, Odysseus finally succeeded in returning to Ithaca after an adventurous journey lasting 20 years. Many modern Itbacans, bowever, are condemned to a permanent exila.

A ledger in the mayor'a office in Ithaca Town, the capital of the islands, shows page after page of names of locals who have left to settle elsewhere, detailing how the population is shrinking each year. Up to the mid-1970s the recorded destinations are South Africa, Australia and the U.S. after that emigration is mostly internal, to large urban centres such as Athens or Patras. The reason for departure, penned carefully alongside each name entry, in most cases reads starkly: "For o better life."

Tha message to Ithacans from Greece'a ruling Socialist Party (Pasok) prior to Sunday'a general election is that lt is the political force most likely to hring the good life right to the island.

Ithacan Pasok supporters display party election posters in their taverna.

The Socialists carried the single seat district of Ithaca and the neighbouring Ionian island of Cepballonia for the first time in the 1981 elections, when Pasok trounced the conservative New Democracy Party ending some 40 years of right-wing rule in Greece.

Now, in o microcosmic version of the nationwide election battle, Pasok is fighting hard to defend the seat against a challenge from two directions; from New Democracy, making o comeback under a new leadership, and from the pro-Moscow Communist Party of Greece (KKE). With the Socialists and Conservatives running a close race, the KKE is making a determined effort to lncrease its current 11 per cent of the vote with the aim of forcing Pasok into a government alliance.

"We are hound to win. Pasok has done more for us in the last three and a half years than the right in four decades," said Mr Spyros Tsintilas, a young Ithacan socialist.

Recent public works are in evidence; the island's hillsides are scored with new road tracks linking Ithaca's eigbt villages (a 35 km road network has been constructed since 1981) and on the outskirts of Ithaca Town, a desalination plant inaugurated in 1983 provides much-needed fresh water.

Other improvements include an increase in the number of daily ferry links with Cephallonia, Ithaca's only lifeline to the outside world. A team of doctors has started coming in once a fortnight to dispense extra medical care; the island's 3,648 people are normally served by a single GP. The monthly pensions of Ithaca'a olive farmers (it is along with fishing and seafaring, the main occupation of those who remain on the island) have gone up from Drachmas 5,000 (£29.43) to Drachmas 7,000 and an equal

GREEK PARLIAMENT	
After 1981 general elections:	300 seats
Pan Hellenic Socialist Movement (Pasok) A. Papandreou	172 (48%)
New Democracy Party G, Rallis	115 (36%)
Communist Party of Greece (KKE) C. Florakis	13 (11%)

"The most important benefit Pasok has hrought us is freedom. In the old days if you hought a left-wing newspaper you acquired a security file; the local gendarme spied on you. But now you see bim in the square and its 'so what,'" Mr Tsintilas said.

Yet there are islanders who say that their first experience of Socialist rule has been a sour one. For the Communists, who bave a strong presence on Ithaca, the smal village of Anogi (the name means "above the earth") with about 100 inhabitants hoasts o KKE vote of more than 50 per cent, leading the locals to refer to lt jokingly as the "Moscow of Greece." Pasok bas erred in not fulfilling pledges to close the American military bases or pull out of Nato and the EEC. KKE bannera and posters read "no to the rigbt and the right-wing policies of Pasok."

This message finds a paradoxicol ecbo in the conservatives' main complaint; that the Socialists, as much as any right-wing government before them, succumbed to the temptatiou of "rousfeti" politics, a word of Turkish origin suggesting nepotism and political favouritism rolled into one.

"When Pasok came to power they promised to be 'the government of all the Greeks.' They have not been. If you do not belong to the Party you don't get anywhere. We are afraid to speak out," said Mr Theodore Sardelis, president of New Democracy's 11-strong election committee ln the Party's brand-new office in Ithaca Town.

There is bitterness over Pasok's fiercely anti-right election campaign; the conservatives cite it as evidence of a political chauvinism

The conservatives are dismissive of the development the island has undergone since 1981. "Most of the money for the projects comes from the EEC anyway, a fact which Pasok is trying to hide," Mr Sardelis said.

In the view of the rare Ithacans who have managed to stay out of the party political fray, the main issue at stake is Ithaca's slow death which no government yet has managed to reverse.

Poll rivals begin final lap

By Our Athens Correspondent

THE FINAL lap in the Greek general election campaign started yesterday, with the first of a series of three rallies in central Athens by the country's main political parties—the pro-Moscow Communist Party of Greece (KKE), the conservative New Democracy party, and the governing Panhellenic Socialist Movement (Pasok).

The rallies, beld in Constitution Square in front of the Greek Parliament, traditionally constitute the climax of the campaign. Voting takes place on Sunday.

As the third largest party in the 1981 general election, the KKE drew Wednesday. New Democracy, runners-up last time, will gather on Thursday, while the last word will go, as usual, to the ruling party, in this case Pasok, on Friday.

Party leaders are planning their rally speeches with particular care. With only four days to go to the election, the outcome is believed to be still in the balance. The result is expected to turn on the roughly 7 per cent of voters who are shewn as undecided in confidential party opinion polls. They are poised between Pasok and New Democracy, which are believed to be running a close race.

Officials of both parties were expressing nervousness yesterday over the possibility that either might prodnce a last-minute ace from its sleeve.

The Communists, for their part, are trying to woo voters to a third alternative, with the avowed aim of drawing the Socialists into a government alliance in the event of a tie with the Conservatives.

French Communists lash out against government policies

BY PAUL BETTS IN PARIS

THE FRENCH Communist Party bas launched its toughest attack yet against the Socialist government since it withdrew from the coalition last summer.

The attack bas also been directed personally against M Laurent Fabius, the Prime Minister, whom the Communists accuse of adopting economic policies that are increasing unemploymeot and undermining the rights and living standards of workers.

The Communists launched their latest initiative after riot police put an end to the occupation of a bearings factory at Ivry on the outskirts of Paris by militant members of the pro-Communist CGT union. SKF-France, a suhsidiary of the Swedish bearings company, decided two yaars ago to shut the plant which employed 619 people. But employees opposed to the closure have occupied the plant for several months.

After the intervention of the riot police on Tuesday which led to violent clashes near the plant, M Georges Marchais, the secretary general of the Communist Party, led a protest march in Ivry. He subsequently hlamed the Government for the incidents at Ivry on television yesterday.

He hroadened the attack hy announcing that the Communists would vote against the Government's independence proposals for the troubled French Pacific territory of New Caledonia. The debate on the proposals opened in the National Assembly yesterday.

M Marchais also attacked the proposed plans by Renault, the state owned car group, to reduce its French car workforce by up to 20,000 by the end of next year. Separately, other Communist leaders criticised yesterday the government's education reforms.

The sudden Communist outburst reflects as much the party's frustrations over the Socialist Government'a policies as its own continning internal crisis. Indeed, the latest attack on the Government comes a few days after o Communist party central committee meeting in which both M Marchais and M Henri Krasucki, the head of the CGT union, came under heavy criticism.

Although M Marchais saved his joh ot the last Communist congress in March and successfully stifled the opposition of the reformist members of his party, his leadership and policies have continued to be increasingly questioned by party members worried by the party's steady decline.

Macao talks complaint

BY DIANA SMITH IN LISBON

SENIOR MEMBERS of Portugal's Conservative opposition hove complained that the cabinet and Parliament, which is empowered to handle important constitutional issues, had no warning of plans to uagotiate the future of Macao, the tiny Portuguese-run territory off the South China coast.

China's wish to regain control of Macao before the end of the century, after nearly 500 years of discreet Portuguese administration, and Portugal's willingness to negotiate were declared last week dnring President Antonio Ramalho Eanes' official visit to China.

The news took Macao and Lisbon by surprise. Until now any talks between Portuguese and Chinese officials delicately skirted the issue. Indeed, the Portuguese hoped to pick up added investment there after Hong Kong reverted to Chinese administration. Negotiations should begin early next year.

Several foreign banks recently appplied for permission to operate in Macao.

Spanish steelmakers face more cuts and job losses

BY DAVID WHITE IN MADRID

THE SPANISH Government has recignised that its programme for restructuring the steel industry has fallen short of what is needed and that further cuts will be required to make it competitive in the European Community.

Sr Carlos Solchaga, the Industry Minister, told Unesid, the steelmakers' association, that streamlining plans would have to be revised, and hinted that more jobs would need to be axed, principally in special steels.

Companies had to prove themselves viable by January, 1989, he said. Thia is the expiry date for Spain'a transitional agreement with the EEC allowing the Government to continue State subsidies over o three-year period and to complete its restructuring programme. "Otherwise, they will have to disappear," he warned.

The Government has undertaken a $3hn conversion plan for the country's main steelworks, involving the loss of ahout 10,000 jobs in the three largest companies in the sector, more than a quarter of their workforce. It has also pushed through fresh restructuring measures in the special steel industry.

Sr Solchaga promised new aid for the steel producers to compensata for the impact of the introduction of VAT and the ending of tax relief on exports following EEC entry. He warned, however, that this transitional aid would be pegged to firm commitments from the companies on their production levels.

Criticising the absence of discipline in the sector, he attacked the producers of ordinary steel for failing to co-ordinate their markets either in Spain or abroad.

The revision of plans comes in the light of voluntary export restrictions recently agreed with the U.S., and of o 9 per cent fall in Spain's domestic market last year to 7.4m tonnes.

FINANCIAL TIMES, USPS No 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address changes to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

UK delays EEC plan for telecom research

By Quentin Peel in Brussels

PLANS BY the European Commission to launch an ambitious research programme to develop integrated telecommunications throughout the Community looked like being held up by Britain's determination to control EEC spending.

Ministers of industry and of research will be presented next week with the proposals for the Race Programme—Research and *Development* in Advanced Telecommunications Technology for Europe—which is intended to lay the groundwork for a broad band telecommunications network by 1995.

The plan constitutes an important part of the Commissinn's effort to promote research intn advance technology in Eurpe, to close the gap with the U.S. and Japan.

However, discussions so far between officials in Brussels and London have been deadlocked on British insistence that no extra cash can be *found* in the British research budget for the programme.

The amount of money involved is nnly some Ecu 4m (£2.4m), which constitutes the British contribution towards the first definition phase nf the Race Programme. The whole 18-month phase, supposed to begin in Jnly, costs some Ecu 42.9m, nf which Ecu 22.1m will come from the Commnnity budget, with the balance from member states.

Talks were held in London last week between Herr Karl-Heinz Narjes, the Commissioner responsible for science and research, and Mr Geoffrey Pattie, the British Minister for Information Technology at the Department of Trade and Industry, with the Race Programme top of the agenda.

The belief here is that the British hard line on finding any extra cash for the programme is a reflection of inter-departmental struggles between the DTI and the British Treasury.

Treasury officials in London, however, say it is rather a question of principle: that the research ministers agreed on a comprehensive programme last December for all Community research projects costing Ecu 1.2bn, which was only approved on the understanding that no extra spending would be incurred. The Race Programme has subsequently been added.

The idea behind the programme is to decide on the working requirements for an EEC telecommunication network capable of supporting both existing services and a broad variety of new technologies for voice, data and video transmission.

Commission officials say the programme must be approved by July at the latest, to get off the ground before the end of the year. They are hoping for approval in principle next week, with the European Parliament giving its blessing the following week, and formal ratification by any Council of Ministers later in the month.

The officials stress that Britain invariably does well out of EEC research programme, with more money being spent in the UK than the Government actually contributes to the research budget: a relatively rare example of net benefit from the EEC budget.

U.S. and Moscow take up old positions

BY WILLIAM DULLFORCE IN GENEVA

THE UNITED STATES and the Soviet Union resume their nuclear arms control negotiations here today with no indication that their delegations have been given fresh instructions which could produce movement towards agreement.

The statements made on their arrival in Geneva yesterday by the two chief negotiators, Mr Viktor Karpov, of the Soviet Union, and Mr Max Kampelman, of the U.S., reiterated positions taken in the first round of talks which ended on April 23.

Recent reports that Mr Mikhail Gorbachev, the Soviet leader, is unlikely to accept President Ronald Reagan's invitation to meet later this year have cast a deeper shadow over the negotiations. The meeting has been linked with some progress being achieved in nuclear arms control.

Mr Karpov focused yesterday on the Siviet insistence that the U.S. renounced its Strategic Defence Initiative, the so-called Star Wars programme which aims at developing, and perhaps deploying, weapons in space.

Such a renuciation would open the way to "radical solutions" in nuclear arms, Mr Karpov said, adding the hope that the U.S. had "made the necessary adjustments in its position."

Mr Kampelman earlier underlined the broad authority and flexibility with which his delegation has been charged by President Reagan to negotiate "radical reductions" in offensive nuclear weapons. He hoped the oSviet delegation had been providd with "similar flexibility."

During the five week break each side has accused the other of "backtracking" from the understanding between Mr George Shultz, the U.S. Secretary of State, and Mr Andrei Gromyko, the Soviet Foreign Minister, reached in Geneva on January 8, which launched the latest nuclear arms negotiations.

The U.S. claims that Moscow agreed initially that existing anti-ballistic missiles, such as the Soviet "Galosh," would be included in space weapon discussions but have since withdrawn from that position.

The Soviet Union alleges that Washington is reneging on the understanding that progress in negotiations on strategic missiles and intermediate range weapons would be conditional on progress also being made in the space wars forum.

The Americans retort that the Russians have so far shown no interest in the many proposals the U.S. has tabled for *reducing* the number of both strategic and intermediate weapons.

The talks will now retire behind the cloak of secrecy both sides have agreed to observe, with the delegations meeting twice a week alternately at the U.S. and Soviet missions here.

Polish students hold protest rally

WARSAW – More than 20,000 Polish students attending a rally yesterday at Wroclaw University urged workers to support their protest against proposed changes to the higher education law, a Wroclaw Solidarity activist said.

During the two-hour rally, the students passed a resolution accusing the Government of acting in an "especially revolting" manner by ignoring the protests of the academic community over the controversial amendments to the higher education law, said Mr Jozef Pinior, a Solidarity activist in Wroclaw.

"The contents of the proposed amendments constitute a threat to social stability in higher schools," said the resolution, which was read over the telephone by Mr Pinior.

The students also passed another resolution urging workers in local factories to stage legal protest actions to support their campaign against amending the liberal education law, Mr Pinior said.

He said the university's rector sent a representative to speak at the rally which was held at the Institute of Philology. The building was surrounded by police, but no incidents were reported.

The rally followed a similar peaceful protest by more than 1,500 students and faculty members at Warsaw University on May 22 against the amendments that would tighten Communist authorities' control over the country's universities.

Poland's academic community has charged that authorities want to change the law in order to strip away the academic freedoms won during the 1980-81 Solidarity era.

Poland's higher education law – unique in the Soviet bloc – granted the universities considerable autonomy to shape curricula and appoint faculty. It also provided for the democratic election of rectors and department chairmen.

The amendments which the Government plans to submit to parliament for approval would ensure that state authorities have more control in filling senior academic posts.

The changes would also increase the influence of the Communist Party and officially sanctioned youth groups in academic life at the expense of democratically-elected student government groups and university senates.

The Polish Government spokesman, Mr Jerzy Urban, told a Warsaw news conference on Tuesday that hopefully the "effectiveness of political activities by the student government at Warsaw University can be immensely lowered" by the proposed changes to the education law.

Meanwhile, a Roman Catholic priest convicted as an accomplice in the murder of a Warsaw policeman has been on a hunger strike for two weeks demanding political prisoner status, a Warsaw opposition activist said.

The priest, the Rev. Sylwester Zych, began his hunger strike on May 15 at Braniewo prison in north-east Poland after being kept alone in a cell for nine months, according to Mr Zbigniew Romaszewski, a prominent Warsaw Solidarity activist.

Mr Zych was joined in his fast at Braniewo by an imprisoned Solidarity activist, Mr Jozef Sreniowski, who is serving a two-year sentence for distributing underground publications, Mr Romaszewski said in a telephone interview.

"It is a strict fast without any deadline which is intended to end the isolation of Father Zych," said Mr Romaszewski. "They drink only water, but are not force-fed now.

"Father Zych has remained alone in his cell for nine months as he has been refused the rights of a political prisoner," Mr Romaszewski said.

Mr Zych, 35, is serving a six-year prison sentence for hiding the pistol used in the killing in February 1982 of a police officer, Sgt. Zbigniew Karos, during a scuffle on a Warsaw train.

Mr Zych and seven youths accused of being members of a clandestine armed group responsible for the Karos shooting were convicted by a Warsaw military court in September 1982.

Agencies

Spain approves new rules to clear way for foreign investors

BY DAVID WHITE IN MADRID

BUREAUCRATIC obstacles to foreign investment in Spain are mostly removed under a decree approved yesterday by the Socialist *Cabinet. The new rules are seen* by government officials as bringing Spain into line with the most liberal Western countries in this sphere.

Private-sector foreign investors will no longer have to obtain government authorisation except in specified cases such as arms manufacture.

Until now, all investments by companies under majority foreign control or which lead to majority foreign control have been subject to approval procedures.

Under the new system, investors are required to inform the authorities of their project and wait for 30 days before going ahead. In that period the authorities are entitled to request additional information about the project. But in the absence of a reply the investment will be considered to have been approved. In the official jargon, this is to be known as "positive administrative silence."

The new regulations have been significantly eased since the change was first mooted as part of Spain's preparation for EEC membership. First, the threshold for purchases by foreigners of controlling stakes in Spanish companies – which the Government initially proposed lifting from Pta 25m to Pta 500m ($2.9m) – has been abandoned altogether.

Secondly, the easing of procedures, which was originally to have applied only to investments from EEC countries, has been extended to include all private-sector investments.

Officials said this change was made because companies from outside the EEC could easily bypass any restriction by investing through EEC-based subsidiaries, and it was simpler if they invested directly.

However, foreign governments *and state-controlled* companies will continue to be subject to prior authorisation before taking controlling holdings in Spain. Approval will also still be required in sectors which have special rules governing foreign ownership. The most important of these are defence, public utilities, the press and mining.

The change comes after a 70 per cent rise last year in the total of foreign investments approved, which reached a record of Pta 267bn, including investments made by foreign-controlled Spanish companies out of their own reserves.

About two fifths of the total came from the EEC, with an increasing share from both the U.S. and Japan.

● The Government also decided yesterday to suspend a series of import tariffs – on chicken, eggs, clothing and shoes – in order to ease price pressures.

Tariffs are to be lifted for specified periods, in the case of eggs until June 29 and for the remainder from mid-June to mid-September. A government official said this was designed to coincide with the peak tourism period. Chicken, especially, was in most demand during this period. The measures are intended to stop these imported items from pushing up the official consumer price index, which has been above target so far this year.

● The charred remains of a man were found floating in the Bay of Algeciras yesterday, bringing to 21 the number of bodies recovered after two tankers exploded here last weekend, killing 35 people, Reuter reports from San Roque.

Officials said it was impossible to identify the body immediately because it was so badly burned.

Yugoslavia reacts to Amnesty criticism

By Aleksandar Lebl in Belgrade and David Buchan in London

YUGOSLAV officials yesterday said that Amnesty International was "knocking on an open door" in calling on Yugoslavia to drop verbal "hostile propaganda" offences from its penal code.

They said the call in the Amnesty report released yesterday, which claimed that since 1980 more than 500 people a year had been found guilty of "political offences" and given prison sentences of up to 15 years, was partly overtaken by developments inside the country.

The movement for elimination, or at least tighter definition, of "hostile propoganda," offences has been particularly strong in the northern republic of Slovenia. Last month the Congress of Yugoslav Writers called for such offences to be dropped from the penal code.

While nationalists, particularly from the ethnic Albanian community in Kosovo, have been prosecuted on more serious charges, the Amnesty report, citing Yugoslav official statistics, said that the majority of the 2,208 arrests between 1980-3 were for "verbal offences," such as making jokes about Yugoslav leaders.

The Yugoslav leadership is evidently divided on the need for a better definition of what constitutes hostile propaganda. The country's high court judges are currently reviewing possible changes in the penal code. But there are still anxieties about allowing free expression in the multinational federation. Asked about prosecution of Croat students for singing nationalist songs, Mr Peter Matic, a member of the Communist party presidency, said last week: "This sort of coercion will only disappear when the past no longer gives rise to evil."

Brussels backs single TV satellite standard

BY QUENTIN PEEL IN BRUSSELS

THE EUROPEAN Commission yesterday lent its weight to the campaign for a single European technical standard for television broadcasting by satellite (DBS).

In a bid to head off any repetition of the costly duplication of terrestrial television systems because of the rivalry between France's Secam and West Germany's Pal, the Commission called on member states not to go ahead with any decision on satellite systems until a Community agreement was reached.

Herr Karl-Heinz-Narjes, the European Commissioner responsible for Industry, Science and Research, will ask EEC industry ministers next week to agree in principle on the need for a single system. A formal proposal on the technical standard to be adopted will be put before the end of the year.

Although the Commission has put off a decision on the system itself, Brussels officials point to the unanimous decision by the technical committee of the European Broadcasting Union in favour of the British-developed C-MAC system.

This could be adopted along with the alternative version known as D2-MAC, which would be easier to receive on the sort of cable television systems currently being installed. Both C-MAC and D2-MAC are compatible, the officials say, and could be received by the same television set without any increase in cost.

● Unemployment in the European Community decreased slightly to 12.6m people in April, the Community's statistics agency Eurostat said yesterday, Reuter reports from Luxembourg.

It said seasonal factors were largely responsible for a drop of 370,000 jobless among the Community's civilian working population since March. The overall rate of unemployment fell to 11.2 per cent at the end of April from 11.5 per cent at the end of March.

Ireland had the highest unemployment rate with 17.6 per cent, followed by Belgium (13.2), the Netherlands (13.1), Italy (12.8) and Britain (12.4).

OVERSEAS NEWS

Gemayel asks Syria for help to end bloodshed in Beirut

BY TONY WALKER IN DAMASCUS

PRESIDENT AMIN GEMAYEL of Lebanon, who narrowly escaped serious injury yesterday in an artillery attack on his residence, arrived in Damascus later to ask for Syrian help to stop the bloodshed in Beirut.

Mr Gemayel is expected to have extensive talks with Syria's President Hafez Al-Assad on political and security arrangements for Lebanon after Israel's anticipated withdrawal by June 6.

The Lebanese President's immediate concern is to persuade Syria to help bring an end to the bitter fighting in and around three Palestinian refugee camps in West Beirut that is threatening to spill over into other centres.

Syria has indicated it would be most reluctant to send its troops into Beirut to restore order in the present circumstances.

Commentaries in the official Syrian press have condemned those urging Damascus to intervene, saying that it was an attempt to make "Syria fall into the trap set by the U.S., Israel and Arab reactionary régimes."

Western diplomats in Damscus say there has been "no indication" that Syria is about to involve itself further in Lebanon.

These diplomats say Israel's recent unhappy experience plus Syria's own bitter memories of the difficulties following its intervention in Lebanon in 1976 make direct military involvement at this stage unlikely.

Syria's strategy appears to be based on the hope that the *Amal Shi'ite Moslem militia* will take control of the camps, opening the way for a comprehensive settlement between all factions in Lebanon following the Israeli withdrawal.

Syrian statements since the start of the fighting on May 19 have supported the Amal militia in its attempts to rid the camps of Palestinian guerrillas.

This has caused tensions between Syria and Damascus-based Palestinian groups who are making no secret of their disappointment at the Syrian stand.

But it seems that President Assad and his advisers are prepared to tolerate the displeasure of their Palestinian allies in the interests of their wider strategy for Lebanon.

Syria has made clear it wants to see comprehensive security and political reforms in Lebanon following the Israeli withdrawal, and a restless, well-armed Palestinian element in a post-Israeli Lebanon does not come into these calculations.

Reuter adds from Beirut: Shells hit the international airport yesterday as Shi'ite militiamen poured tank fire into two of the three embattled Palestinian refugee camps.

Most areas of the Sabra and Chatila camps have fallen to the Shi'ites and the Lebanese Army's Sixth Brigade, but Palestinians still entrenched there appeared to be resisting fiercely.

Sudan allies look for pledges on treaties

By John Murray Brown in Khartoum

SUDAN'S major allies, provoked into a flurry of diplomatic activity by the new military Government's apparent rapprochement with Libya, are seeking assurances that traditional ties and treaties will be respected.

In separate but seemingly related moves, Mr Samuel Aru Bol, Sudan's Deputy Prime Minister, left for Cairo yesterday for talks with Egyptian officials while Mr Chester Crocker, the U.S. Assistant Secretary of State for African affairs, concluded two days of hastily-arranged meetings with the country's leadership.

Both Egypt, anxious to ensure continued access to the waters of the Nile which runs the length of Sudan, and the U.S., which sees the country as playing a major strategic role in the troubled Horn of Africa, were deeply alarmed by reports las week that the new Government was planning to abrogate all bilateral agreements with Cairo.

In Cairo yesterday, Mr Bol stressed that Sudan, while seeking better relations with Libya, wanted ties to Egypt to "remain good."

Mr Ibrahim Ayoub, Sudan's Foreign Minister, said in Khartoum yesterday that Sudan enjoys a special relationship with Egypt, and while there was "much talk of reviewing the accords," the Government had not formulated a new policy.

Reports of the interview, together with the visit of Col Muammar Gadafi, the Libyan leader, prompted Mr Crocker to break off from a European tour for talks with Government Ministers.

Chris Sherwell examines problems facing the multilateral funding agency

America's tough tactics add to turmoil at the ADB

THE BANK official grimaced. "Joe Rogers tells all," the newspaper headline shouted at him; pointing to a picture of the youthful Mr Rogers in a magazine, he said the caption was more appropriate. "Enfant terrible?" it suggested.

The disgruntled official is a *senior figure* in the *Asian Development Bank*, the multilateral lending agency based in Manila which helps fund projects in Asian developing countries. Joe Rogers is the new U.S. representative on the ADB's board of governors. In six months he has caused an almighty stir.

How and why he has done this was summed up in the interview below the newspaper headline, which appeared on the day the ADB's annual meeting opened in Bangkok last month. "The U.S. . . . completely rejects the idea that there is such a thing as 'development economics'," he had said. As for the ADB, it was "intellectually fairly sterile."

The hip-shooting Mr Rogers is a former chief of staff to Congressman Jack Kemp, political apostle of supply-side economics in the U.S. He wants change at the ADB: he wants lending geared to the adoption of market-oriented policies by recipient governments, he wants American contributions to the bank made conditional on the introduction of such practices, and he wants a wholesale shake-up of ADB staff and pay.

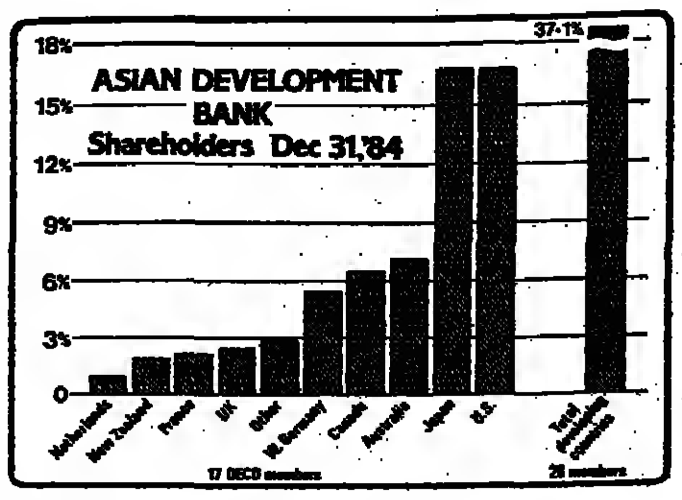
As the U.S. reviews its policies towards all the multilateral agencies, the ADB is clearly at something of a crossroads. Its position is complicated further by two other unresolved issues: funding for the bank's concessional lending arm, called the Asian Development Fund, and a persistent question mark hanging over China's membership.

In formal statements at the Bangkok meeting, country after country—but not the U.S.—urged an early resolution of the China question so that the world's most populous nation in the world's most populous continent could be admitted to the bank. Last year's concession by Peking, dropping its insistence on Taiwan's expulsion, has plainly put Taiwan under pressure to agree to a new membership name, and the latest haggling is testing Peking's patience.

At the heart of the problem is Taiwan's refusal to be called "Taiwan, China" because that is too close to the phrase "Hong Kong, China" used in the Peking-London agreement on the British colony's future. Peking, however, refuses to accept "China, Taiwan." A suggestion in Bangkok that Taiwan consider a hyphen instead of a comma served to illustrate the sensitivities which can enliven, or deaden, a multilateral agency's proceedings.

The funding issue is just as illustrative. When the ADB sought \$4.1bn (£3.28bn) from 21 donor governments for the ADF over the 1983-86 period, only a gesture *from* Japan, the largest shareholder with the U.S., prevented the amount falling well below the \$3.2bn eventually agreed. The gesture made Japan by far the biggest donor to the Fund.

Now there is a triple problem. The U.S. has fallen behind on its current contributions, mainly because of the domestic budgetary process; it will say nothing at this stage about the next "replenishment" covering 1987-90, when the ADB wants \$5bn; and it may fall out with Japan and the Europeans over a plan for a bank capital increase.



America's current contributions are the subject of a supplementary budget now before the Congress, but it could be some time before the matter is settled. To keep the pressure on, other countries, including Britain, West Germany, France and Italy, are not releasing their full contributions — thereby magnifying the bank's problems.

Japan, by contrast, announced just before the Bangkok meeting that it would release its full 1985 contribution of \$300m. Other countries, including Australia and the Scandinavians, have done the same; but the shortfall in 1985 contributions still runs into hundreds of millions of dollars.

As for 1987-90, Joe Rogers has said pointedly that President Reagan "does not intend *to request* any funds from the Congress," although he added that the position could change.

On the third issue of a special capital increase, the U.S. is at odds with smaller European countries which would like an adjustment to give them larger shareholdings more commensurate with their contributions to the ADF. Japan, wishing to maintain its 16.8 per cent stake, would go along with this, but the U.S. is against an increase and an erosion of its parity with Japan.

Where things go from here plainly depends on changes made at the ADB itself. In Bangkok, the American delegation—in more moderate terms than those deployed by Mr Rogers, spelled out the sort of lending it expected: the ADB should, for example, fund utility projects where tariffs have been "rationalised" and finance agricultural projects where prices have been freed.

The ADB, while deeply unhappy at the way some of the criticisms have been voiced, accepts the force of the American argument, and some officials readily admit to the institution's undoubted structural weakenesses. But they say changes have begun, and had started long before the U.S. began shouting.

They point to the increase in co-financing with private banks, the encouragement already given to the private sector by lending to state development finance institutions, and the declared aim of making the ADB a source of advice on questions such as capital market development or privatisation. Above all, they point to the policy departure now being considered of lending direct to the private sector without securing government guarantees.

But they also point out the difference between theory and practice, rhetoric and reality. After all, the scope for helping the private sector in Asia's poorest countries may be very limited because, almost by definition, they do not have the infrastructure which they need to build even more desperately. Officials say this deserves cheap, long-term finance.

A glaring contrast in the ADB between Japan and the U.S. emerges from this fundamental debate on foreign aid. Japan, long the dominant force in the bank (the president is always Japanese), appears ready to contribute unquestioningly.

The U.S. anxious to secure better returns for its money without losing its power to influence bank policy, has begun to sound more strident and more sceptical.

Israel, Egypt move nearer Taba area arbitration

BY DAVID LENNON IN TEL AVIV

ISRAEL and Egypt appear to be drawing closer to agreement on arbitration of the dispute over the Taba area on the Red Sea coast of Sinai and have agreed to explore the possibility of expanding trade in the field of fuel and petrochemical products.

This emerged at the end of a visit to Jerusalem by Mr Abdel Hadi Kandil, Egyptian Minister of Petroleum and Energy, who discussed Taba and trade issues during his talks with Israeli leaders.

The dispute over the 1 Km stretch of beach at Taba which is claimed by both countries has soured relations between Cairo and Jerusalem. Isreal operates a luxury hotel and a holiday camp on the controversial site.

A team of senior Israeli officials flew to Cairo yesterday to continue discussions which began a few weeks ago on ways to resolve the border dispute.

Mr Kandil discussed the possibility of Egypt purchasing \$70m (£58m) worth of refined petroleum products from Israel instead of from Europe, thus cutting transport costs.

Israel buys some 2m tonnes of oil annually from Egypt and is seeking ways to offset the cost of this purchase

Israel is not interested in increasing its oil purchases from Egypt, preferring to maintain diversity of suppliers. However, the two sides did discuss the possible purchase by Israel of Egyptian gas

● Some 1½m Israeli workers will stage a one-hour strike this morning to protest at the closure of the Ata textile company and the dismissal of 860 employees.

Ata was placed in the hands of the receivers eight months ago and ordered closed by the courts on Tuesday after a search for buyers failed to produce an offer acceptable to the Government.

Meanwhile, the employees have barricaded themselves inside the factory, demanding that the Government honour its earlier pledge not to let the plant close. The Cabinet is expected to take up the issue

Saudis want Opec to agree crude price cut

By Richard Johns

SAUDI ARABIA is seeking agreement with other members of the Organisation of Petroleum Exporting Countries for a reduction in the price of heavy crude oils in a move to increase their competitiveness against lighter varieties.

In an interview with the newspaper Al-Sharq Al-Awsat, Sheikh Ahmed Zaki Yamani, Saudi Minister of Oil, was quoted yesterday as saying: "Time has come to reduce the price of heavy oil because of the reduction in demand for fuel oil and its lower price. This will require another discussion among Opec members."

The proposal—which, if adopted, would involve an effective lowering of the average price of an Opec barrel of crude—is bound to meet fierce opposition from producers dependent on lighter varieties in current sagging market conditions.

Guerrilla raid kills 17 in Philippine provinces

MANILA – Communist guerrillas raided a military base and a logging company in two Philippine provinces, triggering gun battles that killed at least 17 and 21 were wounded according to government reports.

Five rebels, four soldiers and a municipal councillor were killed last Thursday when about 200 insurgents attacked a constabulary patrol base in Maslog municipality on Samar island, 300 miles southeast of Manila.

It is believed that 10 guerrillas have died and their bodies were carried off as the rebels retreated after a three-hour exchange.

The military said seven guerrillas were killed on Monday when government troops repulsed a 100-man rebel band that tried to raid a logging company compound on the outskirts of Butuan city on southern Mindanao island, 500 miles southeast of Manila. A soldier and a company guard were wounded.

In Manila, armed forces chief Lt. Gen. Fidel V. Ramos ordered an investigation of reports that local military authorities in Samar were holding hostage the 18-month-old daughter of a communist rebel commander to force him and his wife to surrender.

Reports reaching Gen Ramos said that during a military operation last August, soliders took the baby from a Samar couple to whom the parents had entrusted her.

The local military had appealed to the baby's parents to surrender, promising them amnesty and jobs, but the couple rejected the offer.

Meanwhile, army troopers pursuing a 200-man guerrilla bank that raided a ranger headquarter on Negros Island on Sunday shot and killed three suspected members of the group in a clash Tuesday, regional commander Brig. Gen. Isidoro de Guzman said.

De Guzman said the soldiers also recovered about 4,000 rounds of ammunition believed to have been taken by the guerrillas during the raid

HK transition watchdog sets meeting date

PEKING – The Sino-British watchdog group overseeing Hong Kong's transition to Chinese rule in 1997 will hold its first meeting in London in July, the two governments announced yesterday.

A joint press statement said the Joint Liaison Group would meet in London from July 22 to 25.

An early task of the 10-member consultative committee will be finding ways of maintaining Hong Kong's status in various world trade arrangements, such as the General Agreement on Tariffs and Trade (Gatt).

A British official said the committee, set up this month, would probably meet three times a year in London, Peking and Hong Kong.

The transition was formally launched on Monday with an exchange of documents in Peking ratifying the Sino-British agreement.

Under the accord, Britain will hand back the colony of more than 5m people to China in 1997.

Reuter

Bangladesh braced for possible second cyclone

DHAKA – Bangladesh was braced yesterday for a possible second cyclone after a tidal wave triggered by a cyclone battered its southern coast last Friday, killing as many as 10,000 people.

The Dhaka weather bureau said a cyclone was now about 900 miles south-west of Bangladesh in the Bay of Bengal. It was moving northwards and could hit the coast in the next few days unless it dissipated, officials said.

They also said two tropical disturbances, which could develop and strengthen into cyclones in the next two days, were heading towards Bangladesh from the Bay of Bengal.

The warnings came as Bangladesh counted the cost of a 45ft tidal wave which swamped seven islands on Friday. In addition to the deaths, 5m were affected and 250,000 lost their homes.

But officials of foreign aid agencies who inspected the devastated area for the first time yesterday said damage was much less than some earlier reports suggested.

Rescuers were still searching for about 12,000 people reported by residents to have been swept away. Dhaka newspapers said many of those affected by the tidal wave ignored warnings broadcast on state radio.

They said poor roads and transport facilities along the coast discouraged villagers from fleeing and the authorities lacked the means to move them.

About 250,000 people in the flood-hit districts of Vomilla and Sylhet in eastern Bangladesh moved to higher ground after three rivers had burst their banks.

Meanwhile, Bangladesh has received commitments for \$1.6m in aid for victims of the cyclone and tidal wave.

The U.S. Government so far has pledged \$525,000, Britain \$82,000 the European Commission \$375,000, the UN \$525,000 and the West German Red Cross \$100,000.

Reuter

AMERICAN NEWS

Nicaragua embargo attacked in Gatt council

By William Dullforce in Geneva

THE U.S. trade embargo against Nicaragua was strongly condemned here yesterday by South American and other countries within the council of the General Agreement on Tariffs and Trade (Gatt).

Sr Orlando Solorzano, the Nicaraguan Vice-Minister for External Trade, found wide support within the council for his argument that the U.S. action violated five articles of the Gatt and should be revoked.

Mr Peter Murphy, the head of the U.S. mission, however, insisted that President Ronald Reagan's embargo, announced on May 1, was valid under Gatt's Article 21 which allows a country to take action to protect essential security interests.

He denied that Gatt, as an international trade organisation, had any competence to pass judgment on such a matter.

The American view that Gatt was the wrong forum to resolve the issue was supported by the European Economic Community and some other countries but, according to a Gatt spokesman, no delegate to the council expressed outright backing for the U.S. embargo.

The Nicaraguan Vice-Minister said that, even after Washington in 1983 had reduced by 90 per cent the quota for imports of Nicaraguan sugar, 13 per cent of the country's total exports still went to the U.S. Nicaragua looked to the U.S. for crucial imports of consumer goods, items essential to farming and industrial goods, including spare parts for the transport system.

Half a dozen South and Central American countries, including Brazil, Argentina, Columbia and Cuba, were the first to support the Nicaraguan contention that the U.S. embargo violated Gatt rules.

Stewart Fleming in Washington examines the Administration's plan

Reagan's blueprint for tax reform

PLANS BY President Ronald Reagan for reforming the U.S. tax system are far less sweeping than the initial proposals floated by the Treasury in November last year.

It is still possible to see in the new blueprint the outlines of the underlying principles which inspired the Treasury's plan and which drew such high praise from academic tax experts and economists last year.

However, the compromises mean that the goal of simplicity which underpinned the earlier draft has now, in effect, been abandoned; the opportunities for exploiting tax loopholes and for sheltering income from taxation have been much less rigorously curtailed.

So these compromises, designed to make the tax reform package more politically acceptable, may paradoxically make it harder not easier for the White House to secure congressional approval of the reform package it wants.

It will be much easier for the many critics of the proposal who would face higher taxes if it were implemented in its current form to argue that, since other interest groups have won concessions, they also have a right to expect the tax blow to be cushioned.

The big losers from the Reagan Administration's reform are companies which have been investing heavily in capital equipment or using investment tax preferences to shelter profits from tax.

The proposal, which is specifically designed to bring in to the U.S. Treasury roughly the same amount of tax revenue as the existing system by 1990, would cut individual taxes by 5.2 per cent and raise corporate taxes by 23 per cent. It is designed to reverse the trend of recent years which has seen the company sector paying a rapidly-shrinking share of the national tax bill.

The impact of the increases in company taxation would vary from sector to sector. So tax economists still argue that, by improving the allocation of the tax burden according to economic principles rather than largely in response to the political pressures which particular business lobbies can bring to bear, the changes outlined represent a move in the direction of more efficiently allocating capital.

The basic modification, which the Administration says will lower company taxes by \$42bn (£33.6bn) by 1990, is a reduction in the basic corporation tax rate from 46 per cent to 33 per cent. But this is more than offset by removal of the other corporate tax breaks. This change in the tax rate was also recommended by the Treasury in November and, according to the White House, will reduce the after tax cost of corporate

> The taxation package is far less sweeping than the Treasury's initial proposals and loses the earlier goal of simplicity

equity capital relative to debt and so could also lessen the upward pressures on interest rates caused by heavy borrowing.

However, the plan does not abolish the favourable graduated corporate tax for smaller companies as proposed last November, which would have significantly added to the tax burden on small business.

Changes in tax preferences for companies will bring in substantial new revenue, and offset the big reductions in taxation from reducing the corporation tax rate. Repeal of the investment tax credit which corporations receive on many forms of capital expenditure is estimated to increase tax revenue by \$37.4bn in 1990.

This would also increase individual taxes by \$7bn.

Another major shift is proposed for depreciation schedules. The accelerated depreciation system (ACRS) introduced by the Reagan Administration in 1981 which gave massive new tax breaks to the corporate sector and stimulated new tax avoidance schemes, would be modified although not as radically as proposed by the Treasury last November.

It would seek to relate depreciation to the useful economic lives of assets and take into account the impact of inflation on capital assets. It is estimated to increase corporate tax bills by around \$15.4bn in 1990.

The more far-reaching reform of depreciation proposed by the Treasury last November was modified in the face of heavy *political* opposition from big companies.

The compromise (the earlier Treasury proposal would have raised corporate taxes by \$68bn by 1990) represents a retreat from the principle that the tax system should not provide incentives for particular types of investment or sectors of industry.

The Administration's plan also includes a proposal to increase tax revenues by eliminating an opportunity to exploit the transition from one depreciation system to another. This "recapture" tax proposal is estimated to bring in as much as \$19.7bn in 1987.

The White House proposal also significantly modifies the earlier Treasury plan in other ways. The Treasury proposal to index both corporate and individual interest receipts and payments, which would have cost \$19bn by 1990, is dropped.

Proposals for reducing the double taxation of dividend income have also been modified. The modification would allow companies to deduct 10 per cent of the dividends they pay shareholders instead of the 50 per cent dividend deduction suggested by the Treasury.

Other modifications from the more-radical Treasury proposals include the restoration of certain tax preferences for oil and gas companies. It is a major retreat which reflects the continuing power of the oil lobby.

A special low tax rate on capital gains of 17.5 per cent, which continues the opportunity for shielding earnings from higher marginal income tax rates, is restored. The first Treasury plan proposed abolition of the distinction between income and capital gains.

There are also a myriad of detailed changes proposed for financial institutions and insurance companies which it is estimated would raise some \$6.9bn by 1990.

The other big losers beyond the corporate sector are those individuals, and indirectly the states and communities in which they live, who would lose the right to take specific itemised deductions for the state and local taxes they pay and calculate the federal tax *on* the income which remains. The Treasury estimates that in 1990 this would bring in an extra \$40bn.

As President Reagan stressed in his televised address, individuals stand to gain most from the tax reform plans. Reducing from 14 to 3 the number of tax brackets and lowering the top marginal tax rate from 50 per cent to 35 per cent will cut individual taxes by \$72bn in 1990, according to Treasury estimates.

Millions of low income families will be taken out of the tax net as a result of generous increases in personal allowances so that people below the official poverty line will not pay tax.

Congress uncovers the \$659 ashtray

By Our U.S. Editor

AND NOW the \$659 (£527) ashtray. The latest in a long *list of farcical prices paid* by the U.S. armed forces for humdrum items of equipment was confirmed by the navy yesterday. It came with a \$404 socket spanner for tightening bolts on ejection seats.

The items were supplied by Grumman Aerospace — the nation's 11th largest defence contractor — to the Miramar naval air station in southern California over a period starting in January 1982. From then until April 1983, the navy also watched the price of Grumman landing-gear clamps increase by more than 2,500 per cent, from \$102 to \$2,710 each.

The latest spare parts fiasco follows in the line of a lengthening services tradition established in recent months with the \$640 toilet seat cover, the \$7,400 coffee pot and the \$16,571 refrigerator, to name but a few.

Mr Michael Burch, the *Pentagon spokesman, said* that there was "no excuse" for the Grumman billings, uncovered by a House committee investigator, and that immediate refunds would be demanded from the company.

Navy officers who authorised the purchases would be disciplined and possibly dismissed. Grumman said that it would consider reductions in the prices if they were "out of line."

A navy spokesman *said that* the four by four inch chrome ashtrays, which attach to bulkheads on the E2C electronic surveillance aircraft, were designed to "withstand certain stresses at high speeds.

Pentagon reviews nuclear strategy to incorporate SDI

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE PENTAGON is conducting a major review of U.S. nuclear strategy with the aim of co-ordinating control over offensive nuclear forces and the defensive Star Wars weapons planned by President Ronald Reagan, according to Administration officials.

The plan is intended to join the nuclear sword with the anti-missile shield in a "good, coherent posture," possibly under the control of a nuclear war-fighting command, a senior official said in an interview with the New York Times yesterday.

The review, the most expensive in more than 10 years, was designed to "update nuclear employment plans and guidance for the transition from offence to defence in the 1990s."

It would also take in the strategic role of the new generation of nuclear weapons that the U.S. is beginning to deploy, including the B-1 bomber, the Trident submarine, the Pershing 2 medium-range missile in West Germany and air-, land- and sea-launched Cruise missiles.

While some officials argue that the new weapons should be brought into integrated, flexible war plans, others are resisting the need for a new strategy, or disputing what form it should take. The joint chiefs of staff are reported to be opposing the idea of a new command that would take control of both offensive and defensive forces.

Washington officials said that the integrated plans were being particularly strongly opposed by the navy, which has long insisted on keeping control over its ballistic weapon-carrying submarines. The navy also wants to be in charge of the cruise missiles with which both surface ships and submarines are being equipped.

Brazil delays asking for further loans

BY ANN CHARTERS IN SAO PAULO

SR FRANCISCO DORNELLES, Brazil's Finance Minister, said yesterday that Brazil would not ask its creditor banks for new money until after an agreement is reached in the current phase three renegotiations on outstanding debt.

Speaking at a business-government *seminar* in Brasilia, Sr Dornelles admitted that the country would need new money, but said that the subject should be taken up in a future round of negotiations with fewer banks. He said it was unlikely that all of the country's creditor banks, especially the smaller ones, would be interested in lending more to Brazil.

Meanwhile, the Government has announced a prolonged freeze of prices and service fees in the public sector until late June and a release of government-held stock of rice, black beans and corn to increase domestic supplies of these basic items in the Brazilian diet.

With these measures the Government hopes to stabilise the monthly inflation rate between 7 and 8 per cent for the next three or four months.

…es Thursday May 20 19…

…ding agency

…t the ADB

…sh braced for …second cyclone

…on reviews …strategy …rporate SDI

…ays asking …er loans

WORLD TRADE NEWS

Germany attacked over aid policy

By Leslie Colitt in Berlin

A STUDY of Bonn's overseas aid sharply criticises the growing linkage between assistance and West German exports. Over the past five years the percentage of official aid linked to deliveries of German goods has risen from 22 per cent to 32 per cent. This, says the study, is a result of the Bonn Government's emphasis on using development aid to bolster domestic employment.

The study by the German Institute of Economic Research (DIW) in West Berlin notes that West Germany still gives a smaller percentage of its aid linked to exports than the average of the western industrial countries which was 42 per cent last year.

DIW notes, however, that the West German Development Ministry's guidelines stipulate that wherever several projects are of equal worth, the ones involving the greatest amount of German goods take precedence.

The study is critical of "mixed financing" in which development aid is tied with favourable commercial credits. This blend enjoys increasing favour with the Bonn Government. Dr Jürgen Warnke, head of the Development Assistance Ministry, is quoted as having said such aid rose from DM 440m in 1982 to DM 2bn ($643m) last year. The advantage to the Government is that its aid subsidies are reduced to about 50 per cent with mixed financing.

DIW claims, however, the normally high quality of German development aid suffers. Small projects for the lowest strata of the aided populations are rejected in favour of large projects with mixed financing, for example in electric power generation and communications. In addition, it says, the poorest developing countries rarely qualify for mixed financing because of their already high debt level.

Rothmans in Japan joint venture to boost sales

BY CARLA RAPOPORT IN TOKYO

ROTHMANS International, the UK tobacco company, is planning to launch a joint venture with Marubeni, the Japanese trading company, in order to boost sales to Japan.

Although Marubeni refused to comment officially on the project yesterday, it is understood that the deal will be announced next month. Current plans call for the establishment of a Japanese joint-venture company which will be two thirds owned by Rothmans and one third by Marubeni.

Rothmans International in the UK also declined to comment on the venture yesterday.

Japan is the second largest cigarette market in the world – after the U.S. – and has annual sales of about $12bn. This represents some 311.5bn cigarettes, compared with 97bn in the UK.

Imported cigarettes total 5.6bn, or some 1.9 per cent of the Japanese market.

Japan officially liberalised the rules governing the import of foreign cigarettes last month. As a result, the Rothmans-Marubeni deal is the latest in a string of joint ventures between tobacco companies, such as R. J. Reynolds and Liggett and Myers of the U.S., with Japanese trading companies.

Rothmans currently has three brands on the Japanese market, including the Dunhill, Cartier and Rothmans' brands. It has previously been linked with Sanyo Trading but has so far managed to capture only 2.6 per cent of the imported cigarette market in Japan. Philip Morris is the best-selling foreign tobacco company in Japan, with about 75 per cent of the import market.

Due to the recent liberalisation measures, foreign cigarette companies say they are now looking to double their share of the overall market this year to between 4 and 5 per cent of the total.

Before the recent liberalisation, foreign manufacturers could only sell their products through the Government-owned tobacco monopoly. Only five years ago, foreign tobacco companies were allowed to advertise in English-language publications only.

However, foreign cigarette companies feel that the Japanese tobacco market is far from free because the state-owned tobacco company runs an effective monopoly over domestic manufacture and sales of Japanese cigarettes.

Ap adds from Tokyo: A Marubeni official, who asked not to be named, said a basic agreement was reached to establish the new company. Details would be concluded on June 10. He refused to say when the agreement was reached.

He said the number of cigarettes to be produced and the number of employees of the company remained to be negotiated.

The economic daily Nihon Keizai Shimbun reported yesterday that Rothmans would pay two thirds of the Y500m ($1.99m) capital for the new company.

U.S. steel import quotas not working, says Senator

HOLES IN THE U.S. Government programme to limit steel imports are enabling countries to continue to flood the U.S. with steel products, the Chairman of the Senate steel caucus said this week, AP reports from Washington.

"Our experience in the past few months suggests the programme is not working as effectively as had been hoped," Mr John Heinz, Republican senator said in a letter to President Ronald Reagan. "Imports have increased in terms of both actual tonnage and market share in the first quarter of 1985 compared to the same period of 1984."

Without naming offenders, Mr Heinz said countries are "disguising" their flow of steel into the U.S. by first sending it to nations not subject to steel shipment restrictions. Those countries then pass the steel on to the U.S., he said.

"Diversion through third parties, particularly Canada, in order to disguise the source of the steel is a growing problem," he said.

Voest in $285m joint venture with Oki

BY PATRICK BLUM IN VIENNA

VOEST-ALPINE, the Austrian state-owned steel, engineering and electronics group, has signed a joint venture deal worth about $285m (£226m) with Oki Electric Industry of Japan to produce integrated circuits in Austria.

The deal represents a major breakthrough for Voest which has made considerable efforts to develop its electronics activities since the beginning of the 1980s. The company has close ties with International Business Machines (IBM) and a joint venture with American Microsystems International (AMI). But its deal with Oki is its most important undertaking in electronics so far.

The agreement with Oki involves setting up a plant near Gratz, in Styria, close to the AMI plant, with an initial investment of about $16m for tests and assembly. This will be followed by a further investment of $121m to set up the production of electronic wafers and a final investment of about $148m. All investments will be completed by 1990. The Austrian Government will provide subsidies representing about 40 per cent of the investment. Oki will own 51 per cent of the plant and Voest the remaining 49 per cent.

Oki will provide know-how and licences and the greater part of production which is due to begin before summer 1986 will be exported to Western Europe.

Herr Otto Zich, Voest's youthful executive vice-president in charge of electronics, says the agreement for Oki is important not only for his company, but also for the future of Austria. "No country can hope to succeed by the year 2000 without an indigenous electronics industry," he says.

Austria has many advantages for the development of electronics, he argues. It has a disciplined and well-trained workforce and many skilled engineers. Wages compare favourably with most other European countries and are currently about 30 per cent lower than in West Germany. Oki was eager to set up production in Europe and we could offer them the right conditions, he says.

For the Austrian company the move is just another step in a strategy agreed in 1980 to diversity into electronics when it invested $8m in a small electronics components plant near Linz, where it has its headquarters.

Two years later it started up a plant for printed circuits in Leoben-Donawitz, in Styria, after an initial investment of $10m. The plant is fully owned by Voest, but was developed in co-operation with IBM which supplied know-how. It will be expanded with an additional investment of $10m by the end of next year. Voest and IMB have a long-term agreement worth about $160m for Voest to supply multi-layered printed circuit boards for IBM's European operations.

Last year Austria Microsysteme International, a $50m joint venture with Ami of the U.S., finally started production. Start-up was delayed because of U.S. concerns over technology transfers to the east bloc. Herr Zich said that these problems were over with the adoption earlier this year of legislation which effectively controla non-Austrian technology exports to Eastern Europe.

More help for China urged

By Nancy Dunne in Washington

A CONGRESSIONAL sub-committee is urging increased U.S. assistance to China for developing its energy resources and approval of a key agreement on telecommunications to improve the U.S. share of the growing China market.

In a new report, the House of Representatives' sub-commitee on trade with China said that the U.S. must supplement Japan's assistance for China's energy sector more fully otherwise China would have to rely increasingly on exports of textiles, clothing and other light industrial products as a source for foreign exchange.

Nuclear co-operation with China could help it to meet its energy needs. The report complains that the Administration has failed to submit a nuclear co-operation agreement initialled by President Ronald Reagan during his trip to China in 1984. Despite China'a assistance to such non-nuclear weapons states as Pakistan and Argentina the sub-committee concludes that its improvement in its approach to nuclear proliferation is worthly of American support.

Although the Administration has failed to push ahead with the nuclear power pact, China has delayed its decision on a purchase of 10 reactors it has planned to buy. U.S. companies still have an opportunity to compete with France, West Germany, Italy and Brazil for that contract, expected to be worth about $1bn, the report says.

The U.S. has also failed to exploit opportunities in telecommunications trade with China.

Textiles remain a knotty problem for U.S.-China trade relations

BY ROBERT THOMSON IN PEKING

THE CHINESE Government is still smouldering over last year'a changes in American policy on textile imports. From the Chinese side, the issue continues to mar improved relations between the two countries.

The issue was not resolved by Mr Malcolm Baldrige, the U.S. Commerce Secretary, during his recent visit to China. He and his hosts held some frank discussions in which they atated publicly what they did not like about each other's trade policies and what could be done to make the relationship more meaningful. The two countries still cannot agree on which one has the trade surplus and which has the deficit.

Mr Baldrige talked about what all foreign businessmen based here talk about incessantly ... the extraordinary costs of running a business in China. He called the problem "the high costs of doing business relative to other countries." A block of flats for businessmen has just opened in Peking, and a long-term lease on a three-bedroom flat costs $6,400 (£5,040) a month plus a management fee of $300 a month).

Mr Baldrige also spoke of "a number of Chinese commercial practices" continuing to "act as barriers to U.S. firms in China," and cited the "uncertain application of Chinese customs, practices and tariffs."

The differing application of statistics is a continuing source of disagreement. According to the Chinese, the U.S. had a trade surplus of $1.5bn last year, out of total bilateral trade worth $6.1bn. According to the Americans, the Chinese had a small surplus of $60m from a bilateral total of $6.07bn, up from $4.4bn in 1983. The difference comes from U.S. officials including in their calculations indirect trade of Chinese products.

Malcolm Baldrige—failed to smooth the ruffles.

About 42 per cent of Chinese exports to the U.S. are textile products (according to American figures, those exports had a value of $1.3bn, up $290m from 1983), so the Chinese chagrin over the new prohibitive textile trade laws is understandable.

The laws, announced last September, are designed to prevent textile-exporting nations from evading American quotas by shipping partly completed garments to third countries for re-export under unused quotas. China ships millions of dollars worth of U.S.-bound textiles through Hong Kong for finishing.

The Chinese Premier Zhao Ziyang, on meeting the U.S. Commerce Secretary noted that total American imports are $300bn worth of goods annually, and China'a share is only $2.3bn.

A spokesman for the Chinese foreign economic trade relations, Huang Wenjun, said that a Chinese delegation planned to go to the U.S. soon to discuss the tightened laws.

On the development side, China has spent $1bn this year on purchasing 14 aircraft, including the recently-concluded $350m deal with Boeing for eight passenger jets. CAAC, the Chinese national airline, has bought a total of 40 aircraft in the past two years, most of them from the U.S.

The leading U.S. exports to China, after wheat, are fertilisers, lumber, synthetic resins, rubber, locomotives and rolling stock, and scientific instruments, exports of which were worth $178.5m last year.

Despite the wrangles, the bottom line is that trade between the two countries in the first two months of this year was up 20 per cent on the same period last year, according to U.S. statistics.

Lisbon selects telecom groups

By Diana Smith in Lisbon

A SHORT list of four major telecommunicationa equipment manufacturers will offer final proposals to the Portuguese Government during the first week in June for the first $90m (£71.4m) segment of digital equipment designed to modernise Portugal's faltering telecommunications network.

The four short-listed companies — Alcatel - Thompson (France), Siemens (West Germany), ITT and Philips/ATT— were picked from a dozen bidders including Plessey of the UK which offered its digital System X.

The authorities plan to convert to digital switching gradually. According to official estimates long-range investment of some Es 200bn (£952m) may be involved.

The final choice is likely to be affected by the Government's wish to have most of the equipment made on Portuguese soil. This may weigh in favour of ITT whose Standard Electrica offshoot has long operated in Portugal.

Recently ITT directors announced plans to invest $36m to modernise and expand Standard Electrica plants with a view to making digital equipment in Portugal.

Siemens and Philips also have factories in Portugal and have entered telecommunications here more actively in recent years.

Signs point to an option by the authorities, for political reasons, for two digital systems, trying to placate as many of Portugal's major investor and creditor countries as possible.

TECHNOLOGY

EDITED BY ALAN CANE

Cool move by the forgings industry

THE FORGING industry has developed a new "warm forging" process which it hopes will win back customers who have switched to using castings and pressings.

Furgings, hammered out of red-hot metal and requiring a high degree of mannal skill to produce, have recently been losing ground to castings and pressings, which tend to be lighter and easier to produce, but less strong.

However, the process being used by Anslow, a Duport subsidiary, based in Britain's West Midlands, cuts out much energy waste in traditioual forging.

Normally, about 30 per cent of the metal used in a drop forging becomes "flash," the material which is squoezed oway from the furging under pressure and therefore wasted. This ts sold back to steel makers at around 10 por cent of its purchase price.

In warm forging metal is heated to 800 deg C (sgainst 1,200 dog C normally) and put under pressure in an enclosed die, achieving around 98 per ceot matorial use and reducing the need for finishing work.

The process was purchased from EPAG, a concern which spent considerable sums on devolopment, but was unable to bring it to the market. Dupont, which suffored badly during the recession because of its steel interests, saw this as o useful divorsification.

Mr Don Parkes, general manager of Duport Engineoring Services, which is selling tho new technology, said thero had been over capacity in recent yoars in the drop forging industry and warm forging offered a badly needed technical advance.

"There are many problems connected with the traditional forging process, such as noise, hoat and manual handling.

Over-heating was also a danger, creating fragllity in the metal, and a considerablo amount of energy was wasted in heating to high temperatures.

In addition, it was necessary to mako forgings which wero closer to the shape required hy customers, reducing mschining and other finishing costs.

Tho lifo of dies has been lengthened, although s problem had to be overcomo. This was tho over-filling of dies, which led to fracturing, and presses are now being used to mako the forging, rathor than crank-driven hammers.

LORNE BARLING

Race to develop space-going aircraft

BY PETER MARSH

A QUARTET of serospace companies in chasing the elusive goal of being the first to develop a space vehicle that cen travel into nrbit from a runway, like an ordinary aircraft.

Conventinnally, engineers use vertically-mounted rockots to take payloaods such as satellites into space. These craft gain the necessary velocity using a series of individual rocket motors which fire in sequence and are lator jettisoned.

In the U.S., Lockheed says it bas the technical advances to build a vehicle that zooms into orbit from a horiznntal take-off. It would require several billion dollars.

Like Lockheed, Boeing and McDonnell Douglas are working nn such vehicles under contracts with the U.S. Department of Defense. The Pentagon is interested in the craft because of their potential for fighting wars in space in the 1990s.

With the vehicles, engineers could quickly ond officiently transport large masses into orbit, for examplo communications satellites or parts of laser-battle stations. Such journeya could be accomplished without tho lengthy periods needed to prepare for orbit conventional rocket-based vehicles, such as the space shuttle.

In Britain, British Aerospace has conducted studies on

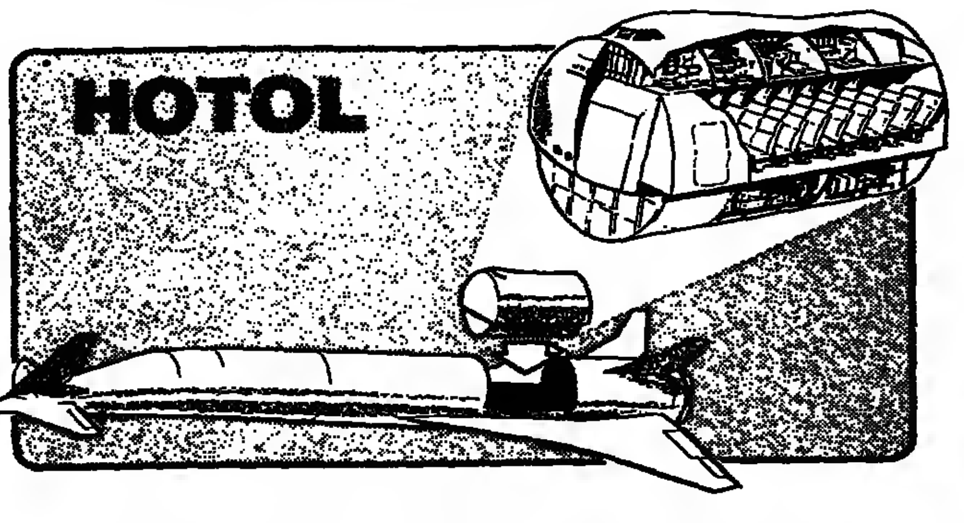
EXPERT

HOTOL (Horizontal Take-Off and Landing) that would perform similarly to the U.S. vehicles. British Aerospsce says HOTOL would cost £4bn to develop. During the early stsges of its journey into orbit, HOTOL would breatho oxygen from the air, like an ordinary jet.

As well as lifting large structures into spacc, it could ferry up to 60 passengers between Europe and Australia in about an hour, flying ot nine times the speed of sound (Mach 9).

None of tho companies are willing to discuss how thoir vehicles would work. This is both on commercial grounds and because of the relevance of the craft to future military operations in space.

In Britain, the Ministry of Defence has classified the palents on HOTOL, preventing discussion of tbo details of tho vehicle's technology. Tho project started three years ago with studies by Alan Bond, a propulsion expert at the UK Atomic Energy Authority's Culham Laboratory in Oxfordshire. Mr Bond is s partnor in a company, Commercial Space Technologies, that seeks to develop applications for HOTOL.



BAe's Hotol spacecraft, with expanded view of the passenger compartment.

To engineer a horizontal take-off space craft that returns from orbit like an aeroplane, one approach might be to use conventionsl rocket technology.

Ordinary rockets carry with them a supply botb of fuel (kerosene or hydrogcn) and of oxygen, normally stored in liquid form in largo tanks. The materials ore burned in combustion chambers to provide thrust.

In most rockets developed over the past 30 years, separale sets of tanks of fuel and oxygen are required for each of up to four atages which burn before being jetUsoned.

A reusable spaco vebicle would, by definlUon, only have ono set of cngines in a single staga which would he recovered at tho end of tho mission.

Unfortunately, engineers have found that without some form of staging lt ls impossible to devise conventional rockets that reach the velocities of 8 km/sec (Mach 25) needed to inject payloads into orbit.

Even the space shuttle is not fully reusahle. It is essentially a two-stago vohicle, only part of which (the orbiter containing crew quarters and acocmmodation for payloads) returns to Earth while the first stage burns up as in ordinary expendable rockets such as Western Europe's Ariane.

On their drawing boards, engineers have produced designs for single-stago rockets in whicb, in addition to oxygen, not one hut two fuels are used.

In the early stages of lift-off, a relatively high-density fuol such as kerosene burns in a combustion chamber with tho oxygen, producing o stream of hot gases which result in thrust.

Tbe fuel supply then switches over to hydrogen, for burning in later stages of tho journty to reach the limit of the atmosphere somo 160 km above tho Earth.

The rationale to this is that hydrogen is a very good rocket

CRITICAL

fuel—it burns relatively slowly to give ahigh thrust. But its extremo lightness means thot larga tanks are required to carry through the atmosphere a given mass of fuel. This adds tao the weight nf tho rockot atructure, reducing performance.

Kerosene, on the othor hand, is heavier and requires smaller tanks. It could be burned during tho lnitial stagas of the ascent when the performance of the fuel is less critical.

Tha difficulty to this approach, which is favoured by somo U.S. engineers, is that resesrchers would have to devise types of rockot ongines that work equally woll using both kinds of fuel.

In the approach to single-stago space propulsion favoured by British Aerospace, ono engine is required first to hreathe oxygen from the air snd then to switch over tn a supply of liquid oxygen. Tho transfor would take place at about 30 km above the Earth, at wblch polnt the concentration of oxygen in the atmosphere is insufficient for propulsion.

HOTOL would still need its own sppy nf bydrogen. But by using "free" oxygen from the air tho mass the vehicle needs to take through the atmosphere is greatly reduced, making feasible the idea of a single-stage propulsion system.

HOTOL's ongine (on which Rools-Royco is working in partnership with British Aerospace) would be radically different from conventional air-breathing motors, os in jst aircraft. Jet engines supply air to a source of ignition with a rotating compressor.

Compressors, however, cannot supply air at a fast enough rato to produce velocitios of more than about Mach 3. This is a function of tho physical charactoristics of air moloculea whicb clog, like hall bearlnga in a tube, if tbey are swept into the engine at above o cerlain speed.

Tho dotailso f Rolls-Royce's new engine aro secret. Mr Bond, in a paper to an Online conference on space technology in Geneva this woek, skotches out somo of the options.

The most promising is to use the principlo of tho liquid-air cyclo engine. In ths, incoming air is liquefied by hoat exchango with tho cold liquid-hydrogen fuel. The liquid alr is then numped into a rock combnstion chamber and burned with tha hydrogen.

According to Mr Bond, an engine of this type could channel sir to the combustion chamber at a fast enough rate to reach volocities of about Mach 6, abont a fifth of the way into space, at which tbe supply from tho liquid-oxygen tanks would be turned on.

VDU screens cleared of threat to health

BY THOMAS LAND

VIDEO DISPLAY units, widely foared to be harmful to pregnant women, pose no threai, according to a study in Sweden.

Although the screens can cause eye strain, they do not present any greator risk of miscarriages or deformcd babies.

The conclusion by the National Board of Occupational Safety and Healib and the National Board of Heslth and Welfare matches earlier findings by Britain's Heslth and Safety Executive and the Canadian Federal Department of Health.

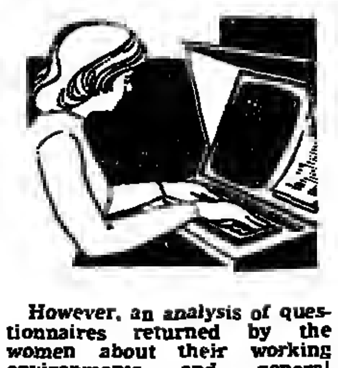
The introduction of computer technology into offices has provoked widespread concern over the hoalth effects of visual display terminals. There have been reports of operators in North Amorican newspaper offices developing cataracts snd giving birth to deformed children.

But Dr Ricardo Edstrom, one of tho loaders of the Swedish study, comments: "On the basis of what we know today, we can see no medical resson for recommending that pregnant women be exempted from wnrking with visual display units. But if a woman is worried, particularly if she bas had difficulties with a previous prognancy, that olone should justify compliance with ber request."

Tbo study also highlights the frequently acute levels of stress st the workplace which contribute to ill heslth. And it says the frequency of smoking—a known threat to pregnancy—tends to be higher in the computerised office than elsewhere.

Research workers studied 10,000 pregnancies in 1976-77 and 1980-81 among three groups of women whose exposure to display units was considered to be low, medium or high. Tho first group included workers liko bank tellers snd librarisns, the second group comprised Insuranco secretaries and the third employees at travel agencles and computer centres.

Despite the tremendous lncrease in the use of office computers in Sweden in the past decade, the study identified no statistically significant differences in the outcome of the women's pregnancies between tha two periods. The researchers were also unahle to chart any significant health differences between the groups.



However, an analysis of questionnaires returned by the women about their working environments and general health during pregnancy found a link between miscarriages and reports of extremely bigh exposure to display units—more than 40 hours weekly, which the researchers thought unlikely. They comment: "It is more likely that this is evidence of a psychological mechanism. Women who suffer miscarriages sre eager to find a cause for their misfnrtune and tend to exaggerate their exposure to presumed risk factors."

In a related study on the effects of exposure to display units, research workers found it difficult to substantiato a connexion between subjective complaints and measurable environmental factors or physical symptoms that can be diagnosed by a doctor. One exception is eye strain, which can be remedied by improved light conditions. Another is stress, which may be responsible for a host of imagined ailmcnts hiding very real trouble huilding up for tho future.

All-in-one workshop power unit

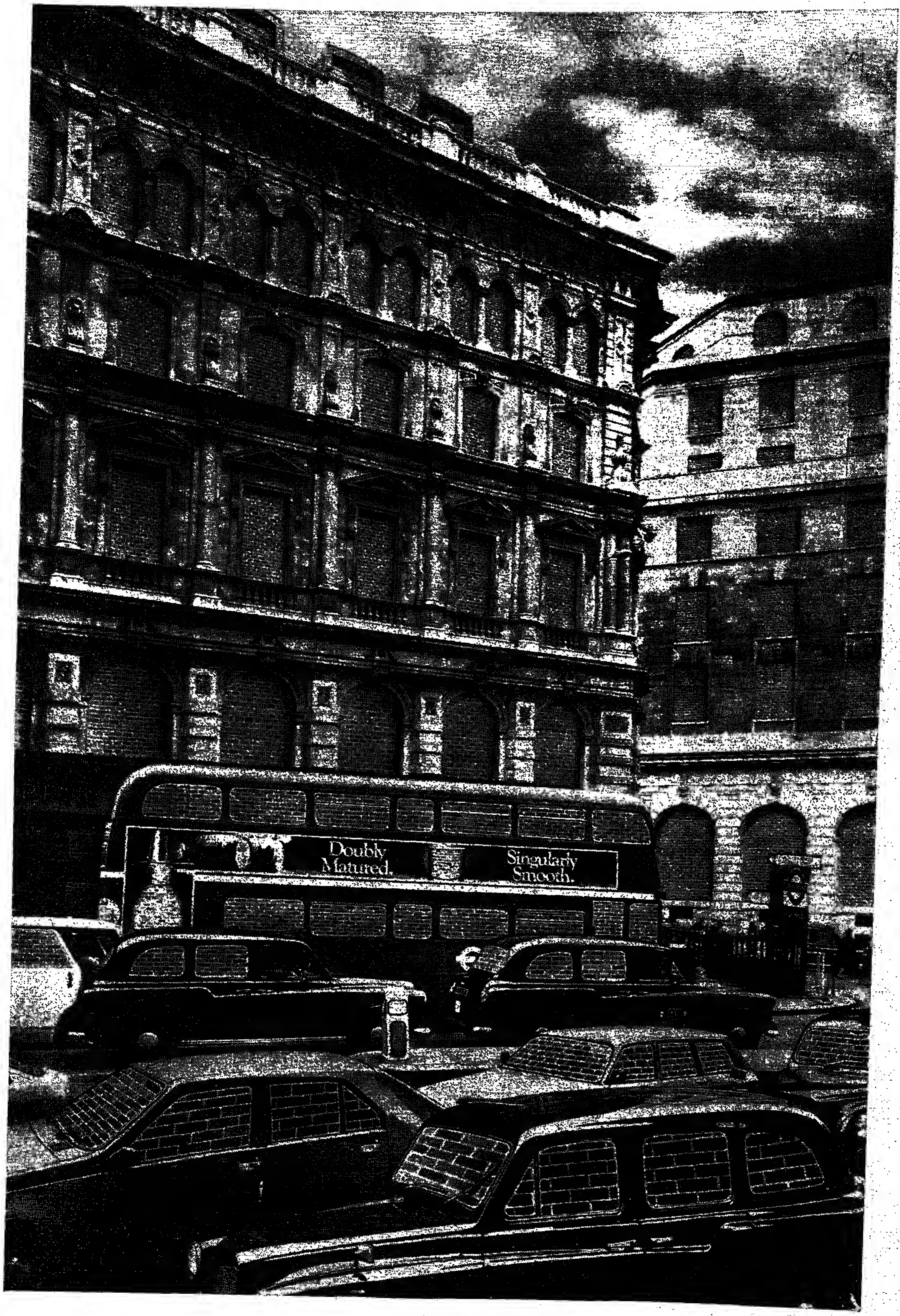
British Industrial Fastenings of Aytesbury provides two of the most important sources of wnrkshop energy, rotary and pneumatic power, in a single unit.

The BIF power centre combines o flexible drivo shaft wltb a compressor nnit. Hence it can be used as a power source fnr any rotary actinn, for exampte drilling, grinding or sanding, and also provides cnmpressed air for johs sucb as spraying paint or stapling.

A sporting micro

ITT SEMICONDUCTORS of Surbitnn, Surrey, is selling a special microcomputer tailored tn the needs of sporis enthusisists.

Tbe computer can aceept electrical signals from transmitters at vsrious parts of the body and converis readings into pulse rates. If the pnlse exceeds a given level, the device will activate an audible alarm.


Doubly
Matured.
Singularly
Smooth.

APPOINTMENTS

Thorn EMI rentals chief

Mr John Barnes has been appointed managing director of THORN EMI rentals division, believed to be the largest organisation of its kind in the world. He is joining from Kentucky Fried Chicken, where he has been managing director of the operations in Great Britain and Ireland since 1981.

★

NATIONAL WESTMINSTER BANK USA has appointed Mr William T. Knowles as chairman of the board and Mr Robert F. Wallace as president from June 1. They will continue as chief executive officer and chief operating officer respectively. Dr John T. Fey is retiring as chairman, but remains a director. Mr Knowles joined NatWest USA in 1981 as president and chief operating officer. He became chief executive officer in 1982. Prior to joining the bank Mr Knowles had been executive vice president of Bankers Trust Company. Mr Wallace joined NatWest USA in January, 1982, as senior executive vice president and was named vice chairman and chief operating officer in June of that year. He was previously chairman of Oregon's First Interstate Bank.

★

Mr Alan Thomas has been elected a vice president of RAYTHEON COMPANY, U.S.-based electronics group, and has been appointed president and chief executive of Raytheon Europe International Company, which includes Cossor Electronics, Sterling Greengate Cables, Tag Semiconductors and Data Logic. Mr Thomas (previously managing director of Data Logic) succeeds Mr John D. Clare, who is retiring. Mr Peter McKee, at present finance director, will succeed Mr Thomas as managing director of Data Logic. Mr Thomas becomes chairman of Data Logic. The appointments are from July 1, when company headquarters will move from Geneva to London.

★

Lord Rawlinson former attorney-general, is to be the chairman of OWL CREEK INVESTMENTS, an oil and gas exploration company drilling in Colorado, U.S., whose issue is being sponsored by Hill Woolgar in June.

★

Mr Timothy Sherwen, managing director of THOMAS NELSON AND SONS since 1982, has resigned to pursue his own business interests in the publishing industry. Mr David Smith, currently managing director of Van Nostrand Reinhold (UK), will be taking over as managing director of Thomas Nelson and Sons. Mr Sherwen has accepted an appointment as a non-executive member of the board. Thomas Nelson and Sons is a wholly-owned subsidiary of the International Thomson Organisation.

REED TELEPUBLISHING division of ABC Travel Guides has made two appointments: Mr Andrew Gill becomes marketing director at ABC Travel Guides. Mr Gill, who is expected to take up this post by September, is currently planning manager at Reed Publishing. Mr Nigel Ince, ABC's marketing director, becomes publishing director at ABC Travel Guidwes, including responsibility for circulation and distribution management. Mr Ince has also been appointed acting publishing director of ABC's travel trade weekly newspaper, Travel News, following the resignation of Mr Colin Collins.

★

BAIN DAWES has appointed Mr John Sawkins as deputy chairman of its North American non marine division. Mr Sawkins was previously on the board of J. H. Minet.

★

COURTS (FURNISHERS) has appointed Mr Ian A. Horwood a non executive director. He was formerly finance director of Harris Queensway.

Promotions at Stock Conversion

THE STOCK CONVERSION AND INVESTMENT TRUST has promoted Mr Jonathan Lane to joint managing director of the group and Mr Andrew Woods to managing director of Scottish Site Improvements, Stock Conversion's principal Scottish subsidiary. Mr Lane joined Stock Conversion in 1972, and became general manager (group) in 1983. Mr Woods was general manager (Scotland).

HOUSE OF ORANGE has appointed Mr Christopher Hurley joint managing director of the group's main trading companies, House of Orange Developments, and Orange Developments (UK).

★

The BUILDING EMPLOYERS' CONFEDERATION has elected Mr John Turner as president for 1985-86. He is chairman of E. Turner & Sons, Cardiff. Other officers elected are: senior deputy president, Mr Peter Horsepool, Ackroyd & Abbott, Sheffield; junior deputy president, Mr John Parsons, William Cowlin & Son, Bristol; and honorary treasurer, Mr Bruce Chivers, W. E. Chivers & Sons, Devizes. The immediate past-president, Mr Michael Millwood, of John Laing, succeeds Mr Peter Morley as chairman of the National Joint Council for the Building Industry.

NORTON TELECOMMUNICATIONS GROUP has appointed Mr Stanley Booton to its board as a non-executive director. Mr Booton retired last year as finance director of the Swire Group in Hong Kong.

★

Mr John E. Townend, MP for Bridlington has been appointed vice-chairman of the EAST SURREY BUILDING SOCIETY.

★

Mr Alan Bowers has joined MITSUI FINANCE INTERNATIONAL as associate director, where he will be responsible for sales. Mr Bowers was previously an assistant director at Standard Chartered Merchant Bank.

Mr John Hackett, director general of the British Insurance Brokers' Association, has been nominated to join the council of the CONFEDERATION OF BRITISH INDUSTRY for a three year term. BIBA is one of a group of CBI members entitled to a "rotating seat" on the Confederation's governing body.

★

COUNTY BANK has appointed Mr R. M. Drummond as director in its finance division. He was with Alta Berkeley Associates and, formerly, a director of ICFC.

★

Mr Jonathan F. T. Baines has been appointed to the board of MARLAR INTERNATIONAL.

★

Mr Jeffrey Sanger has resigned from LANCEPACK. The new managing director is Mr Richard E. Lawson, who has been sales director for the past five years. Ms Ruth E. Evans has been elected to the board as commercial director—responsible for administration, accounts and marketing.

★

MUNFORD AND WHITE has appointed Mr John Dodds its managing director. He was managing director in charge of the launch of "The Cambridge Diet" in Britain before moving to the U.S. company as part of its management team primarily responsible for sales and marketing.

★

Mr Graham Acres has been appointed sales director of LONDON EUROPEAN AIRWAYS. He was manager for Belgium and Luxembourg for British Caledonian Airways.

★

W. GREENWELL & CO, stockbrokers, has appointed Mr Simon Lloyd Greenwell as a partner.

★

PILKINGTON BROTHERS has appointed Dr Alan Havard as production director of its insulation division, based in St Helens. He was production manager at Ravenhead Works, St Helens.

UK NEWS

Topic adapts to the City revolution

By Charles Batchelor

A WEEK ahead of its fifth anniversary, Topic, the London Stock Exchange's electronic information network, is poised for a major expansion of its service.

The Stock Exchange plans to add the "real time" prices of 1,500 North American stocks to the existing UK share price service from July 1. And it hopes to add the leading stocks from Continental bourses later in the year.

With 3,000 terminals installed in the offices of brokers, jobbers, banks and fund managers, Topic, in the eyes of the Stock Exchange, has been a resounding success. It handles 800,000 requests for information on an average day and on one day last January it booked a record 1.25m "page" requests.

It provides a basic service on UK stock prices and company announcements and has been adding foreign currency, traded option and money market information to meet the growing interdependance of the securities and other markets.

London is believed to be the only stock exchange in the world to operate its own in-house information service. Other exchanges sell the raw data on price movements and trading volumes to commercial information vendors, such as Reuters and Quotron, for them to repackage and sell on to subscribers.

As information provider to the Stock Exchange Topic has automatic access to corporate news and prices. But the exchange's price information computer (Epic) also provides computer-readable data to outside information vendors.

"We definitely regard people like Reuters as competition," said Mr Dudley Miles, marketing manager of the exchange's information services division. "We are not a cosy monopoly."

But Topic's success raises as many problems as it answers.

What, for example, is the Stock Exchange doing running an electronic information network at a time when the battle for the multi-million dollar information market between the giants of the business information vending industry—Reuters, Quotron and Telerate—is becoming even fiercer?

In July Reuters plans the UK launch of an electronic share dealing system developed in the U.S. by its American partner, Instinet. This system currently carries only U.S.-listed stocks but Reuters plans to add the leading shares quoted in London and on other stock exchanges. This could pose a threat to the Stock Exchange's plans to upgrade the Topic network. The exchange and the two companies hope to reach an agreement to co-operate rather than compete.

Topic's network of terminals, installed for the most part in and around the City of London, is small fry compared with Reuters, which has 53,000 terminals scattered around the world, and Quotron, which has 72,000 screens, most of them in the U.S.

So will Topic be able to maintain its initial momentum or will the cost of keeping up stretch the willingness of Stock Exchange member firms to provide the finance? Does Topic have the technical and marketing skills to maintain its position?

Mr Miles sums up the reasons for Topic's existence thus: "We feel Topic promotes the Stock Exchange. By providing market information we increase investor confidence and this encourages more people to use the exchange.

"If you don't do it yourself you are reliant on other people."

Whether these ambitious aims have been achieved is difficult to measure. What is clear is that the service has fulfilled a need of the City professionals.

"The original projections of demand for the service were blown out of the water inside two years," Mr Miles said. "And only just over half of the 3,000 installed terminals are with member firms. The rest are with merchant banks, insurance companies, investment trusts, pension funds and the media.

"The market has shown there is a place for providing this sort of service. The introduction of new services on Topic has come about as a result of pressure from the market."

The Stock Exchange clearly does not have the resources of or the market to develop its own hardware but its 250-strong information services division has either written all its own computer programme or carried out its own modifications to bought-in software.

And with the prospect of fundamental changes in the way the Stock Exchange works coming at the end of next year electronic information networks will take on an even greater significance than they have now.

The Stock Exchange is coy about releasing figures but says Topic makes a profit on supplying information to non-members. This allows it to fund further investment in updating the service.

Topic was launched in June 1980 to replace a fairly primitive price information system known as MPDS. In designing Topic the Stock Exchange opted for the videotex or viewdata system of sending "pages" of information down a telephone line and on to a television monitor in response to instructions typed into a keyboard in the customer's office.

Initial investment in Topic was £500,000 though several times that amount has since been spent on upgrading the network. A prime advantage of the viewdata system, in Mr Miles' view, has been the ease with which it can be expanded. Additional terminals and additional "pages" of information have been added. The system currently carries 22,000 pages of information but could take up to 100,000."

Viewdata was chosen because it was cheap and flexible and the exchange did not expect to sell its service outside the City. Now that British stockbrokers with offices in New York and on the Continent have begun to take the service Topic is having to adopt a more internationally acceptable technology.

It has developed a software programme to allow its service to be delivered by means of IBM personal computers, which offer greater flexibility.

The PC may eventually supplant the television monitors currently used for Topic but at the moment most subscribers seem content to live with the limitations of the system.

These are the relatively slow speed of delivery of information, fairly crude graphics and an inability to manipulate information according to the users' own requirements.

"We rate Topic reasonably highly," said Mr Stephen Kimsey, joint author of the Financial On-Line Information Report which looked at more than 160 systems. "There are faster systems and ones with better graphics but Topic fills the gap it was created for."

A major redeeming feature of Topic is its price. It may not be the most sophisticated system around but for about £300 a month for the first terminal it provides a comprehensive service more cheaply than its more commercial minded competitors.

Topic's commitment to provide a service to Stock Exchange members means it takes a different approach to pricing. Members are supplied at cost while non-members are charged on a *cost-plus basis.*

Reuters responded to the Topic challenge with the launch in 1982 of its UK Investment Service. This costs something over £300 for first-time users of Reuters services but is cheaper for subscribers already taking other, more expensive, international services. The Reuters service lacks the share and market analysis information supplied by many stockbrokers to Topic but Reuters claims to provide a broader range of international stock prices and market reports.

Mr Eli Antar, European marketing director for Quotron, the leading U.S. securities prices network, sees Topic as a competitor for the customer's "budget pound" but does not regard it as a direct rival. "Typically a Quotron user in the UK will have Topic in any case because of the UK company news and other things we don't carry," he said. "And the smaller user will not use us because we are too big and too expensive."

Topic's limitations have prompted a number of City stockbroking firms to go ahead with their own information networks. Scrimgeour Kemp-Gee established its Dogfox network last year and already has 200 screens installed in its own offices and with clients in the City.

What of the future? The way the Stock Exchange is now moving should allow Topic to make even greater use of its network of terminals around the City and beyond.

After the "big bang" of autumn 1986 trading will become increasingly automated. Market makers (combining the present functions of jobbers and brokers) will display the prices at which they are willing to deal on a computer-linked network of terminals known as SEAQ, the Stock Exchange Automated Quotation System. Ultimately SEAQ will be upgraded to allow market makers to deal through their terminals.

With more traders working off the floor of the Stock Exchange and the opening up of Stock Exchange membership to banks and other institutions Topic expects the demand for its services to increase. The existing Topic network will form the basis for distributing the far greater volume of trading information thrown up by SEAQ, though precisely how much information is to be made available on Topic to outsiders has yet to be decided.

The revolutionary changes planned for the exchange and the rapid development of new information technology both pose challenges for Topic.

"We can cope with evolution," said Mr Miles. "Revolution is more difficult. But Topic is flexible and has been very responsive in the past to the market's demands.

"We are conscious we are in a competitive world," he added. "Can we handle it? Our strength is that we are the source of the information. But it would be foolish to describe this as anything but a high-risk business to be in."

"We feel Topic promotes the Stock Exchange. By providing market information we increase investor confidence and this encourages more people to use the exchange"

"There are faster systems and ones with better graphics, but Topic fills the gap it was created for"

UK NEWS

Current account returns to surplus

By Max Wilkinson

BRITAIN'S current account balance of payments moved back into surplus in April, partly as a result of a strong export performance.

The Department of Trade and Industry said yesterday that the current account surplus in April was £123m, resulting from a deficit of £277m on visible trade, offset by an estimated surplus of £400m on invisible trade.

The current surplus in April compares with a deficit of £555m in March and re-establishes the pattern of surpluses earned in the months since October. Yesterday's figures showed that the deficit in March was £100m more than officials thought a month ago.

That deficit was the result of a large increase in oil imports, which now appears to have been even bigger than first estimated. The main reason was thought to be re-stocking by oil companies after the miners' strike and a period of uncertainty about the dollar.

In April the surplus on oil trade recovered to a more normal level of £884m, while the deficit on trade in non-oil goods fell somewhat to just under £1bn.

Exports of non-oil goods remained at a high in April which was 8½ per cent above the average monthly volume last year. Non-oil imports slipped back in April to a level which was only 2½ per cent higher than last year's average, in volume terms.

In the latest three months, the volume of non-oil exports was 3 per cent higher than in the previous period and 12 per cent higher than a year earlier. By contrast, imports in the latest three months rose 2 per cent compared with the previous period and 8½ per cent compared with a year earlier.

In cash terms, exports were 20 per cent higher than a year earlier and 6½ per cent above the level of the previous three months.

The detailed figures show that the fastest increase in exports in the latest three months was of motor cars, for which sales were 10 per cent higher in volume terms.

The rise in exports of manufactured goods was 3½ per ceot in volume terms over the same period and 8½ per cent in value terms.

Imports of manufactured goods also rose – by 4½ per cent in volume terms and 9½ per cent in value between the two three mooth periods.

These differences between value and volume partly reflect movements of sterling during the period. The currency was falling sharply up to mid-January but has since recovered. Prices of exports and imports in sterling terms will have been raised by the fall of the exchange rate, and this is probably still feeding through into the most receot trade statistics.

Although the UK's terms of trade recovered by 1 per cent in April compared with May, the terms of trade in the latest three months was 1½ per cent below its level a year earlier.

The UK's improved export performance reflects a steady increase in world trade. The Treasury is expecting total exports this year will be 8½ per cent higher than the average for 1984, while imports are forecast to rise by only 3½ per cent in the period.

BNOC reveals £86m loss in oil price support

BY DOMINIC LAWSON

BRITISH National Oil Corporation (BNOC) which is being wound up by the Government, revealed yesterday that it had lost almost £86m in a Government-inspired attempt to shore up the world oil price.

The losses came in the third quarter of last year, and the first quarter of this year when the Government told BNOC that the national interest demanded that the corporation refrained from cutting its official prices while spot prices tumbled.

The result was that BNOC lost its contract customers and was obliged to sell much of its entitlement to 51 per cent of North Sea oil onto a depressed spot market.

"Substantial losses, £35.9m in 1984, and a further £49.8m for the first quarter of 1985, resulted from these decisions," BNOC said yesterday.

The Government twice went to the House of Commons to get approval for special grants totalling £66.5m to cover BNOC's losses. Even after those grants BNOC showed a net loss of £12m in its 1984 results announced yesterday. These include a provision for 1985 losses.

BNOC's reserves are now down to £18m, compared with its officially agreed minimum of £30m. But this is no longer of concern to the Governmeot since the corporation will not exist after October.

Were it not for its oil trading losses, BNOC would have made record profits of £10m last year. Its turnover, which had always been vast, had increased from £7.9bn to £9.6bn.

The statement in the annual report by Lord Croham, BNOC's chairman, reveals for the first time the Corporation's resentment at its treatment at the hands of the Government.

He said the decision to abolisb BNOC had come as a "severe blow" to the corporation's staff. They had worked exceptionally hard to establish it and develop the organisation to the point at which it had become a "major and constructive force in international trading."

European Ferries in £71m rights issue

BY ANDREW FISHER, SHIPPING CORRESPONDENT

EUROPEAN FERRIES, the UK Ferry, ports and property group, yesterday launched a £71.8m rights issue to help fund its major spending on new ships and container port facilities.

The group, whose share price eased 3p to 139p on the day, is undertaking a £150m investment programme to enlarge its cross-Channel freight and passenger fleet and expand Felixstowe container port in Suffolk, already the UK's largest.

This autumn, its Townsend Thoresen ferry subsidiary is likely to order two big ships for the Dover-Calais run, costing a total of £70m, though it is also looking at the possibility of buying three smaller ships for the same money.

European Ferries cash call comes shortly after one of £146m by Woolworth, which is developing its UK stores. Woolworth has raised more than £100m from property sales in the past few years.

The ferry company, the market leader across the Channel, between England and France, is currently spending £30m on having four ships enlarged in West Germany to add to its freight capacity. A further £45m is being spent at Felixstowe, with more planned for the late 1980s.

It bought the loss-making cross-Channel operations of Peninsular and Oriental Steam Navigation (P&O) for £12.5m in January, though the Office of Fair Trading still has to decide whether the deal should be referred to the Monopolies and Mergers Commission. Last December, it bought two freight ships for £21m.

Fiscal expansion call

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

A MORE expansionary economic policy in the UK, aimed to cut unemployment must guard against the risk of a collapse of the exchange rate, Professor Rudiger Dornbusch, of the Massachusetts Institute of Technology, said in London yesterday.

He was giving the first public lecture sponsored by the Employment Institute set up this month to argue the case for a more vigorous attack on unemployment.

Prof Dornbusch argued that an expansion worth about £5bn a year in the UK should be part of a general plan to expand borrowing in Europe while the U.S. cut its deficit.

He said: "The case for fiscal expansion is obvious and uncontroversial. The only problem is to persuade the policy makers that there is so big a need and so little harm that they can do something now with another helping in time for their election.

Nevertheless, he said the danger that fiscal expansion could lead to a resurgence of inflation must be taken seriously and guarded against. For the UK in particular this would require fiscal expansion to be accompanied by a tight monetary policy in which interest rates would probably have to be raised to stabilise the exchange rate. If the exchange rate remained little changed, he suggests that some rather faster growth of the mooey supply could be tolerated.

TOP LEVEL TALKS ON £130M LOSSES AT LLOYD'S

Rescue effort for underwriters

BY JOHN MOORE, CITY CORRESPONDENT

MR GRAHAM WHITE, managing director of the stricken Richard Beckett Underwriting Agency in the Lloyd's of London insurance market, has been taking soundings io the market for a possible market "rescue" of the 1,525 underwriting members who are facing £130m of losses.

A top level meeting took place last Thursday at Hambros Bank with various members of the Lloyd's market to discuss a future course of action for the agency and its underwriting members. The underwriting members are facing one of the worst series of trading and management problems to emerge in the Lloyd's market in years.

The meeting, called by Mr White, was held at Hambros as a neutral venue for the discussions. Present at the meeting were Mr Stephen Merrett, a leading Lloyd's underwriter, Mr Michael Wade of Horace Holman & Co and a stop loss insurance specialist, Mr Bill Goodier of Willis Faber & Dumas (Agencies), Mr Heather Thomas of Willis Faber, Mr John Donner of Donner Underwriting Agencies, and Mr John Gordon of Bland Welch Underwriting.

So far the public attitude by the Lloyd's authorities is that the underwriting members, nearly 300 of which face losses of over £100,000 each, will not receive financial assistance to help them meet their losses. But last week's meeting is understood to explore what the market itself would initiate or recommend to help the underwriting members through their financial crisis.

Those present are understood to have felt that there should be a rescue of some kind. But their was agreement that nothing should be done until the agency was provided with new management by Lloyd's and separated from its parent company, Minet Holdings, the large insurance broker.

Lloyd's bas said that it intends to form a new management company for the underwriting members following Minet's decision that it inteoded to close down the agency by the end of the year.

At the meeting the idea of arranging a letter of credit provided by a bank was explored, which would be designed to help the underwriting members pass the Lloyd's solvency test by the July 31 deadline. In the solvency test underwriting members have to show that they have enough mooey to meet their insurance liabilities.

One of the difficulties with arranging a letter of credit is the size of the losses – £130m. Collateral of £130m would be required to support the letter of credit unless a more manageable bridging financing arrangement could be found.

The other possibilities explored were the possibility of a cootribution from insurance brokers who had carried out business for the eight insurance syndicates ioto which the members were grouped. Another plan discussed included the possibility of arranging a fund from contributions from the underwriting members which would attempt to buy stop loss insurance. A stop loss would stem the rising tide of insurance claims as the members would lay off their risks in the Lloyd's market or with other insurers.

"We are at a very delicate stage," Mr White said yesterday. "We need the continued co-operation of a number of parties to put the new structure in place and then to build oo it."

● Mr Peter Miller, Lloyd's chairman, said in the U.S. yesterday that Lloyd's underwriters had "disastrously underrated" U.S. liability insurance business which had led to losses for some Lloyd's syndicates. But he said that premium rates were rising again.

Insurance brokers call off merger

By Our City Correspondent

C. E. HEATH and Hogg Robinson Group, respectively the fifth and sixth largest independent insurance brokers in Britain, have broken off their merger talks.

In a brief statement yesterday announcing the termination of the talks, which would have led to the biggest domestic realignment of insurance brokers in Britain since the late 1970s, both sides said that their boards "have oot beeo able to reach agreement on terms of a merger which could be recommended to both sets of shareholders."

Oo the London Stock Exchange the share price of C. E. Heath rose 10p to 620p while Hogg Robinsoo's share price fell 20p to 260p, valuing the groups respectively at £195.4m and £92m.

Mr Peter Presland, finance director at C. E. Heath, which announced the talks with Hogg in April this year, said: "At the end of the day there were half a dozen points which we could not resolve."

He said that Heath were worried by the relative ratings of the two companies and the effect that any merger would have on earniogs. For the year ending March 1985, Heath had reported pre-tax profits of £32.6m, before an exceptional item of £2.5m. Hogg Robinson, in its last reported financial year ending in March 1984, declared pre-tax profits of £11.1m.

A big source of Heath's profits, roughly a balf, come from underwriting. "Hogg seemed unhappy getting into bed with a broker which bad such a high underwriting content, when it had publicly declared that it was not interested io becoming involved In underwriting activities," said Mr Presland.

Hogg Robinson derives about £3m of its profits from Lloyd's underwriting agency activities, which it is legally required to sever its links with by mid-1987.

Mr Andrew Alers-Hankey, a Hogg Robinson director, said: "Superficially it looked a good fit. But we were not so committed to underwritiog. We have an important travel and transport side which we wanted to expand and they were not so committed."

June set for onshore oil round

By Our Energy Staff

THE FIRST onshore oil and gas licensing round will be launched before the end of next month. The round was originally earmarked for a start last September, but it was delayed by the European Commission's complaint that certain conditions of the existing UK licensing regulations were in breach of the Treaty of Rome.

It is thought that the regulations for the onshore round will not contain the offshore licensing conditions, which so aggravated the Commission, of giving research and development work to UK-owned and controlled companies.

The Commission is believed to have told the UK Department of Energy that if this rule applied in the onshore round, then it would bring proceedings against the UK in the European Court.

The first onshore round will open up to the international oil industry all areas of the UK not licensed through the older, ad hoc, form of onshore licensing.

Dr Eric Bossbard, the managing director of Carless Capel & Leonard, one of the UK's leading onshore explorers, said yesterday that there was "not very much of interest" available for licensing, and that the best chances would emerge io 1986 and 1987, when companies such as British Petroleum and Cooco would have to relinquish some of their acreage.

● The Government has appointed Hoare Govett as its stockbroker for the sale of its remaining 49 per cent stake in Britoil, the world's largest pure oil exploration company.

Hoare Govett performed the same role for the Government in the initial offering of Britoil shares in November 1982. This was not a success, with about 75 per cent of the shares being left with the underwriters.

Ms Jill Hawkins, an oil analyst with Hoare Govett, said yesterday that the current oil market did not present the best possible backdrop for the offering.

BL says group faces difficult year in holding market share

BY JOHN GRIFFITHS

BL WAS facing a challenging year in wbich holding its market share would be "very difficult," Sir Austin Bide, the vehicles group's non-executive chairman, told the annual meeting yesterday.

He described last year's reversion into a pre-tax loss of just uoder £12m – after a £4.1m profit in 1983 – as a temporary setback in the mainly state-owned group's recovery. He said the "somewbat disappointing" financial result last year disguised very real progress made by its operating companies.

Results for the first quarter of this year were encouraging. "Overall, we achieved better trading results than in the first quarter of last year," he said. This was after adjustment for the sale of Jaguar to the private sector.

Sir Austin said that the Government's review of BL's corporate plan – approval of which has been delayed for some months – was oow at "a very advanced stage," after the submission of an independent review of the plan's structure by Baring Brothers, the merchant bankers.

Sir Austin Bide: Warning of Intense competition

He gave no indication, however, of when the plan might receive final approval, or under what conditions.

Sir Austin attributed many of BL's problems to the intense competition in its car, truck and bus markets. The severe trading conditions across most sectors of our business, he said, would make maintaining its positions very difficult – "particularly if our competitors intensify still further their incentive programmes, despite already incurring heavy losses themselves."

He listed high interest rates as another source of concern, together with the substantial overcapacity existing in the European industry as a whole.

Although the Austin Rover dispute in November had badly disrupted operations of BL's volume car subsidiary, he pointed out that productivity improvements bad continued to be made. Austin Rover's Longbridge plant, for example, was now producing 60 cars per man each year – well up to best European levels.

He added that the overall position "serves to emphasise that further improvemeots are necessary if BL is to be a competitive, successful and durable business."

Lloyds to launch a merchant bank

BY DAVID LASCELLES, BANKING CORRESPONDENT

LLOYDS BANK, the smallest of the big four UK commercial banks and the only one without a merchant bank, is to launch its own merchant banking venture in July.

It will be called Lloyds Merchant Bank, and have £55m in capital. It will serve as the focus for activities such as corporate finance, capital markets and investment management which already exist within the Lloyds Bank group. The unit will also be the vehicle for Lloyds' participation in the UK securities markets which are being reshaped by the revolution taking place in the City of London.

The new bank, which will be granted "recognised bank" status by the Bank of England, will be a wholly-owned subsidiary of a new company, Lloyds Merchant Bank Holdings, whose chairman will be Sir Jeremy Morse, the chairman of Lloyds Bank.

Sir Jeremy said yesterday that one of the main aims was to meet the increasingly complex requirements of corporate clients in a world where the banking and securities businesses were coming closer together.

The merchant bank's chief executive will be Mr Robert Owen, who joined Lloyds from Morgan Grenfell in 1979. He will report directly to Mr Brian Pitman, the Lloyds group chief executive.

Lloyds also announced yesterday that it had applied to the Bank of England to become a primary dealer in the UK government securities market, and proposed to establish a dealership with capital of £25m.

Unlike other banks, however, Lloyds has not made arrangements to buy a stock exchange firm, and will be building up its own securities trading capabilities.

Mr Pitman said yesterday that Lloyds would save itself the considerable cost of acquiring a securities firm, and the "cultural hassle" of merging it with the bank.

Mr Owen said that Lloyds had been conscious of being the "odd man out" in not having a merchant bank, and felt that its merchant banking activities had now reached a scale where they should stand on their own two feet.

The bank will start with a balance sheet of about £900m and staff of 350, but Mr Owen foresaw rapid growth, and predicated the bank would soon raise its staff to 450–480.

It will be housed in the building at 40–66 Queen Victoria Street currently occupied by Lloyds Bank International, which is in the process of being merged into the Lloyds Group and many of whose activities will be transferred to the merchant bank.

Both National Westminster Bank and Barclays formed their own merchant banks in the last 15 years (Midland took a short cut and bought Samuel Montagu outright, though it later sold 40 per cent to Aetna Life and Casualty of the U.S.).

Lex, Page 28

UK NEWS

Receiver appointed to Lear Fan

BY OUR BELFAST CORRESPONDENT

THE GOVERNMENT has appointed a receiver to Lear Fan, the carbonfibre aircraft project, which collapsed last week with the loss of £57m of UK public money.

Dr Rhodes Boyson, the Industry Minister at the Northern Ireland Office, yesterday announced the appointment of Mr Michael Jordan of the London firm of Cork Gully.

Two years ago the Government appointed Sir Kenneth Cork and Mr Paul Shewell, of the same firm, as receivers for the De Lorean Sports Car Company in Belfast.

Dr Boyson said the purpose of the receivership was to secure Lear Fan's assets in Northern Ireland and to represent the Government's interests in the assets and technology in the U.S.

Lear Fan has a well-equipped factor near Belfast, Northern Ireland, as well as a plant at Reno, Nevada, in the U.S., where the test programme of the aircraft was carried out.

Lear Fan decided to cease trading last Thursday. After meeting officials in Belfast, Dr Boyson blamed the collapse on the state of the executive aircraft market in the U.S. and the technical setbacks suffered by the aircraft in the attempt to win an airworthiness certificate.

He said that as a result of the board's decision, both the Government and the private backers – a Saudi Arabian consortium known as Zoysia – were released from their remaining funding commitments under financial agreements signed in 1982 and 1984.

Dr Boyson said he very much regretted it had not been possible for the company to bring the project to a successful conclusion and he said that regret was shared by Zoysia.

The failure could not be blamed on the Northern Ireland workforce whose loyalty and contribution was to be praised.

The minister said: "As the company's statement this week has pointed out, both the Government and Zoysia have in good faith lived up to their obligations under the 1982 and 1984 agreements. The Government did not assume any further financial obligations after the September 1982 agreement.

"I must emphasise that from the beginning it was clear that this was a high-risk venture which has involved private investment of about $100m in addition to the public funds which, had it succeeded, would have contributed greatly to employment and to the economy of Northern Ireland."

Dr Boyson added: "It is a great disappointment that the setbacks to the certification programme and the recent steep downturn in the executive turboprop aircraft market in the U.S. have led to the failure of the project."

He said the Government was ready to co-operate fully with any investigation which the all-party House of Commons public accounts committee might decide to undertake. The committee chairman has already asked the Comptroller and Auditor General for Northern Ireland to prepare a report on the affair.

Critical phase for Anglo-Irish talks

BY BRENDAN KEENAN IN DUBLIN

ANGLO-IRISH talks on political and security structures in Northern Ireland are now at a critical stage, according to reports in Dublin, but so far there is no sign of agreement between the two governments.

Irish Ministers and officials are encouraged by the commitment shown by the British Government, as evidenced by the strengthening of the Cabinet committee which oversees the discussions. Officials close to the talks are becoming worried, however, at the extent nf the gap between the two sides.

The crucial issue all along has been the role of the security forces and the judiciary in Northern Ireland and the part which the Irish Republic should play in Northern Ireland affairs.

The Irish Government argues, not only that there should be radical changes in the Royal Ulster Constabulary and Ulster Defence Regiment, but that it should have some role in security in order to win the support of Northern Ireland Catholics for the security forces.

This appears to be incompatible with the British Government's insistence that there can be no executive role for the Republic in Northern Ireland. Mr Douglas Hurd, Northern Ireland Secretary, repeated this recently and has said that issues such as the future of the Ulster Defence Regiment were not the subject of Anglo-Irish discussions.

Cash still preferred method of payment

By George Graham

CASH REMAINS the most popular method nf payment in the UK, despite the rapid growth of credit cards.

Eighty eight per cent of all financial transactions are still in cash, according to a survey* of financial behaviour carried out by Burke Research Services.

Half of all consumer payments are for between £1 and £3, the survey showed. In this category cash accounts for 99 per cent of all transactions. Cash is also used in larger transactions, however. Half of all payments between £25 and £50 are made in cash, compared with 31 per cent by cheque. Cheques are used fnr 43 per cent of payments over £50.

Although a third of the population now has a credit card, only 2 per cent of all consumer payments are made by card. Cards are most commonly used for payments between £10 and £25.

The survey suggests that the continued popularity of cash may be linked to the rapid growth in the use of cash machines. In an average week, 11 per cent of bank account holders use a cash machine to withdraw money from their accounts.

** Burke Research Services Group, Station House, Harrow Road, Wembley HA9 6DE.*

NFC launches gas subsidiary

By Dominic Lawson

NATIONAL Freight Consortium (NFC), the employee-owned transport and storage group, is to become a new force in the UK inland energy market by becoming a bulk supplier of liquefied petroleum gas (LPG).

Mr Clive Beattie, group managing director of the new subsidiary of NFC, Britannia Gas, said yesterday: "We are looking to take 5 per cent of the UK LPG market very quickly and, longer term, we have to be looking for 20 per cent."

Britannia Gas has invested £4.5m in an LPG terminal at Immingham, on the east coast of England. This will enable Britannia to import gas from north-west Europe, including the North Sea, in bulk.

Mr Beattie said: "There is e worldwide oversupply of LPG. We plan to take advantage of that to the benefit of the UK consumer."

Britannia's aim is to break the grip nn the LPG market in the UK held by the Calor Group. Mr Beattie said that Britannia would compete with Calor "on service rather than on price."

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices nf industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. nutput	Eng. order	Retail vnl.	Retail value*	Unemployed	Vacs.
1984							
1st qtr.	104.0	99.0	103	107.7	122.7	2,998	147.0
2nd qtr.	102.0	99.9	107	110.2	130.1	3,026	154.0
3rd qtr.	102.4	101.4	107	111.1	133.3	3,076	165.1
4th qtr.	103.3	101.0	105	113.6	164.0	3,103	166.5
October	102.9	100.3	107	112.0	139.9	3,100	170.5
November	103.2	101.0	104	112.7	149.6	3,102	167.6
December	103.7	101.6	104	115.6	194.9	3,108	161.3
1985							
1st qtr.	105.5	101.8		112.6	133.9	3,138	157.5
January	104.6	100.3	101	111.6	134.4	3,124	157.2
February	105.0	101.8	107	112.0	130.2	3,144	156.1
March	107.0	103.2		113.8	136.5	3,147	159.2
April				114.4			

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1984							
1st qtr.	100.1	93.9	110.5	96.2	113.5	95.9	16.2
2nd qtr.	101.4	95.7	105.3	97.9	106.0	97.2	18.0
3rd qtr.	101.9	98.2	104.6	100.9	109.2	97.8	16.2
4th qtr.	102.0	97.5	106.5	99.4	107.0	99.2	13.3
October	102.0	97.0	106.0	99.0	106.0	99.0	16.5
November	102.0	97.0	107.0	99.0	108.0	99.0	13.9
December	102.0	99.0	107.0	100.0	107.0	100.0	9.5
1985							
1st qtr.	103.4	97.9	110.1	99.7	108.8	99.8	13.9
January	103.0	96.0	110.0	98.0	102.0	98.0	11.7
February	103.0	99.0	109.0	100.0	109.0	99.0	13.2
March	105.0	100.0	112.0	101.0	115.0	102.0	16.7

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1984							
1st qtr.	108.7	112.1	−57	+623	+2,322	97.3	18.75
2nd qtr.	107.3	117.1	−1,228	−592	+1,543	96.9	15.63
3rd qtr.	108.0	119.8	−1,643	−621	+1,804	96.7	15.26
4th qtr.	117.5	126.1	−1,327	+641	+1,468	96.1	15.52
October	115.4	131.2	−807	+201	+373	96.4	15.35
November	118.0	120.8	−177	+303	+352	95.9	15.30
December	119.2	126.2	−344	+136	+743	96.0	15.69
1985							
1st qtr.	118.7	125.6	−1,347	−86	+1,862	95.6	14.89
January	116.6	118.6	−86	+332	+926	96.0	15.52
February	121.7	124.6	−263	+137	+675	95.1	15.35
March	117.8	133.7	−999	−555	+260	95.6	13.53
April	119.6	126.3	−277	+123	+684	96.8	14.08

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1984							
1st qtr.	4.1	10.1	8.2	13.6	2,609	2,868	8.50
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,870	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,809	10.50
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,941	9.63
September	4.4	7.8	4.0	3.4	887	891	10.50
October	6.7	18.5	9.6	11.4	1,125	1,003	10.50
November	9.9	27.3	18.6	17.1	363	967	9.63
December	12.2	27.2	12.1	22.4	1,004	971	9.63
1985							
1st qtr.	2.2	0.7	9.1	15.2	1,511	3,146	13.50
January	5.0	9.0	13.6	16.3	823	1,166	14.00
February	3.1	−5.0	4.6	13.3	474	1,008	14.00
March	−1.3	−1.2	9.2	16.0	214	972	13.50
April	5.4	22.2	18.8	19.5	507		12.63

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1984							
1st qtr.	153.6	133.6	129.0	343.9	321.7	308.67	81.7
2nd qtr.	155.9	134.3	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.6	134.1	132.8	353.9	326.8	288.95	78.0
4th qtr.	164.1	140.1	134.3	358.2	326.8	289.64	74.1
September	159.9	135.2	133.3	355.5	324.9	288.95	77.2
October	164.2	137.9	133.9	357.7	326.2	292.40	75.6
November	162.8	139.2	134.3	358.8	326.6	289.89	75.7
December	165.3	143.4	134.9	358.5	327.6	289.64	74.1
1985							
1st qtr.	165.4	146.2	136.6	362.9	332.8	295.22	72.0
January	163.4	145.3	135.9	359.8	330.6	296.98	71.5
February	164.6	147.6	136.6	362.7	332.5	295.73	71.3
March	168.2	145.6	137.5	366.1	335.4	295.22	73.3
April		142.0	139.0	373.9	338.8	295.08	78.0

* Not seasonally adjusted.

Inquiry into cash loss at Eagle Star

By Eric Short

POLICE ARE investigating the disappearance of e large sum of money, believed to amount to six figures, from the Cheltenham, Gloucestershire, adminstrative headquarters of Eagle Star Insurance, e member of BAT Industries.

They are working closely with an internal audit team at Eagle Star into alleged irregularities. It could take some time before exact details become evailable.

Mr Leslie Agius, Eagle Star's assistant general manager for personnel, said the alleged irregularity had been discovered as e result of the initiative of a junior member of staff. He declined to comment on the amount involved or indicate from which area of the group's operations it had disappeared.

The Cheltenham office employs about 1,000 of Eagle Star's 6,000 UK employees. It is involved mainly in handling the administration of the group's life and pensions business, which is highly computerised. Mr Agius said that relatively small amounts of cash were handled by the staff.

He emphasised, however, that the alleged irregularity did not involve unauthorised access to the computer nor had there been any breach of computer security.

Price of digital satellite links reduced by BT

BY JASON CRISP

BRITISH TELECOM (BT) is cutting the price of its digital satellite links to North America by up to 20 per cent – one of the few areas where it faces direct competition from Mercury Communications.

Mercury, a wholly owned subsidiary of Cable and Wireless, launched its digital business service to New York in February and its first customers included Associated Press and the London Stock Exchange. BT's rival service to New York does not begin until next month, although it has had a similar link to Canada since last year.

BT yesterday launched a satellite service to Europe. The satellite services being offered by Mercury and BT give business a point-to-point high-speed digital circuit which can be used for sending computer data, high-speed facsimile, video-conferences and voice.

The speed at which BT can develop its European business will largely depend on how quickly the local telephone administrations move to adopt the system. The first services are likely to be to West Germany and the Netherlands.

Demand for these sophisticated services is expected to be high and the London-New York route will be by far the busiest. BT has an advantage over Mercury because it is in a much better positioo to provide the local link in the UK to its satellite earth station. Mercury is still building its network in Britain. Any company which had large quantities of data to send would have to have its own satellite dish on its roof or in e car park.

As part of an experimental satellite service, BT has been providing video-conference facilities between Ford's various European plants.

Mr Mike Ford, chief executive of business services at BT International, said yesterday: "We are now poised to provide the U.S. service to e range of customers drawn from banking, international finance, civil engineering and electronics."

● The Telecom Dealers' Association, e trade body for the telecommunications industry, was leunched yesterday. Although it is aimed at the retailers, distributors and wholesalers of telephone equipment, the organisers hope to attrect manufacturers and service companies as well.

Crown Agents profit increases despite reduction of business

FINANCIAL TIMES REPORTER

CROWN AGENTS, the procurement and fund management agency for developing countries, managed to make bigger operating profits last year despite loss nf business and revenue.

The nperating profit was just over £1m, compared with £963,000 the year before, according to the annual report published yesterday.

Improved figures owed much to profits on the sale during the year of the Crown Agents' beadquarters on the river Thames and of another office. Pre-tax profits on the sale were £2.5m.

The result owed more to cost savings than to revenue, which declined considerably after the loss of the contract to manage funds, for the south-east Asian Sultanate of Brunei.

Mr Peter Graham, senior Crown Agent, said the marketing effort had suffered because of uncertainty during the Government review nf the ageocy, and the business in traditional markets had been bit by their foreign exchange shortages.

As well as selling its headquarters, the Crown Agents cut UK staff numbers from 1,200 to 860. It bought a small office in central Londoo, while the bulk of the business was moved out to the south London suburb of Sutton.

The organisation, only recently turned into a Crown corporation, is now to become a public limited company with the introduction of private capital. The business conducted on behalf of client countries was increasingly dependent on international aid programmes, said Mr Alan Frood, managing director.

New orders were worth £142m last year, the bulk of them for transport equipment. But the value of goods directly procured through the agency had fallen, as countries changed to open tendering for public works.

Funds managed totalled £1.1bn at the end of the year.

Pace of redundancies slows

BY OUR LABOUR CORRESPONDENT

CONFIRMED redundancies are continuing to fall – dropping by as much as 27 per cent in 1984 – according to e study by the Department of Employment published yesterday.

A survey io the Department of Employment Gazette on recent trends in redundancies shows that during 1984 the level of redundancies was significantly lower than in previous years, cootinuing e fall which the departmeot says began in mid-1981.

Figures in the survey show e total of 237,800 redundancies across all industries and services in 1984 – a fall from 326,600 the previous year.

Redundancies fell least – though the numbers were smaller – in the service industries, and in banking, insurance and finance the number of redundancies rose from 5,000 to 6,400, and in other services from 16,900 to 17,500.

There were sharp falls in metal goods (down from 123,100 to 88,000), other manufacturing industries ((62,400 to 46,500), although there were smaller falls in construction (23,800 to 22,600) and the distributive trades (28,000 to 24,000).

Regionally, the redundancy pattern remains roughly the same. In manufacturing industry, the north-west of England suffered the most redundancies, losing 26,067 jobs in 1984 out of e total of 150,576.

In the service industries, the south-east of England lost the most (16,387), pushing it to the top of the list at 42,501 overall, followed by the north-west with 37,935.

The rate of redundancy per thousand employees fell in manufacturing industry by 30 per cent in 1984.

The number of working days lost through strikes fell sharply in April to 186,000 from 525,000 the previous month.

Accountancy bodies seek to clarify duties over fraud

BY LIONEL BARBER

IN A MOVE aimed at preventing public criticism nf auditors, the accountancy profession yesterday published the first of a series of discussion papers on fraud.

The draft, drawn up by the consultative committee of accountancy bodies, the umbrella for the various professional accountancy bodies, sets out to clarify auditors' responsibilities for preventing, detecting and reporting fraud.

It also includes a 19-point questionnaire which poses a number of sensitive questions for the profession, particularly about the effects of widening the role of the auditor in reporting fraud.

In recent months, the profession has been shaken by the threat of legal action resulting from alleged fraud or professional neligence by auditors.

Early this year, the UK Government issued a $270m writ against Arthur Andersen, the world's largest accountancy firm, over alleged professional negligence arising from the collapse of the De Lorean sports car venture in Belfast.

Several other cases, particularly in the U.S., have served to drive up professional indemnity rates for accountants, by between 100 and 300 per cent.

The draft acknowledges that there is "an expectation gap" between the users of financial statements and the auditors and auditors' reporting responsibilities. "This difference in perception should not be ignored," says the auditing practices committee which prepared the draft.

The draft sets out preseot practice and does not seek to extend auditors' responsibility. However, the questionnaire asks the profession to examine the implication of possible change. Among the questions are:

● What changes could be made to the auditors' role and responsibilities for detection without the law being changed?

● To what extent would it be practicable to change auditors' responsibility for detection without limiting his liability?

● Should the auditor be expected to report fraud and other irregularities discovered to shareholders, interested third parties or the general public?

The questions reflect professional concern that the tight professional and legal roles make it difficult for auditors to report fraud even if they have succeeded in detecting it.

The draft is the first of several attempts by the accountancy profession to tackle the problem of fraud. A committee within the Institute of Chartered Accountants in England and Wales is expected to publish its own paper in the next few weeks.

Port employers warn of financial failures

BY BRIAN GROOM, LABOUR STAFF

THE NATIONAL Association of Port Employers warned yesterday nf financial collapses among its members and rising labour surpluses if negotiations with the Government failed to remove the cost burden of the 38-year-old national dock labour scheme. Nine months of talks have so far produced no breakthrough.

Mr Nick Finney, the association's director, said 1,000 of Britain's 12,140 registered dockers were surplus to requirements and another 500 would become so next year, partly because the older ports belonging to the statutory scheme had difficulty in competing with growing non-scheme parts, like Felixstowe, on the east coast of England.

The biggest labour surpluses are at London and Liverpool. These figures are based on the assumption that the Government accepts the employers' case for further financial relief, which so far it has refused to do. The association says the surpluses could end up by being higher.

The Government is taking powers to raise the limit on financial assistance to the Port of Londnn Authority and the Mersey Docks and Harbour Company by £140m to £500m. It will also make up to £40m evailable to the Netional Dock Labour Board in grants for redundancies.

While this will ease the problem of future severance costs, the Department of Employment has not accepted the association's plea to write off the historic debt owed by the industry's national voluntary severance scheme – £44m to the Government, £12m to Barclays Bank – and to cancel the £12m-a-year levy which employers pay to service the debt.

The Department has so far said it requires the levy to continue. Mr Finney said: "There will come e point when there will be collapses of employers, and wben these occur they will be a damn sight more difficult to deal with than anything we have dealt with in the last three or four years."

The association argues that if the Government continues to refuse to abolish the scheme, then it should bear the cost. It says the scheme – a statutory network nf boards which control the size of workforces and make compulsory redundancy difficult – distorts competition by adding 10 to 13 per cent to the payroll costs of the 70 per cent of UK ports which belong to it.

One option for the Government may be to propose another special voluntary severance scheme to deal with the growing labour surplus by offering pay-offs higher than the recently available maximum of £25,000 e bead. But employers are likely to oppose this without fundamental reform of the system.

The Governmeot argues that it has already gooe unusually far in contributing to the funding of redundancies by private employers. It says that the burden of historical debt means that employers must continue to fund the severance scheme collectively.

Interim funding arrangements under which employers paid £1.8m for the first two months of the financial year expire tomorrow. The association's executive will meet on June 5 and the statutory National Dock Labour Board on June 13.

Port authorities accuse the Government of not doing enough to improve competitiveness on a range of issues. They are worried about a likely increase in lighthouse dues this year

Women still small minority of executives

BY ANDREW ARENDS

WOMEN hold a higher proportion of executive positions in European companies compared with European subsidiaries of U.S. companies, according to e survey conducted by Management Centre Europe, a management training nrganisation.

The survey – of nearly 500 women executives in European companies and U.S. subsidiaries in 11 European countries – shows that women still constitute a small proportion of company executives.

Of those surveyed, 13 per cent of European women reported that women beld over 20 per cent of executive positions in their company. For U.S. subsidiaries, barely 7 per cent responded similarly.

In 80 per cent of the U.S. subsidiaries and 70 per cent of European companies, women constitute 10 per cent or less of the executives.

According to the survey, the average woman executive in Europe has been working for her present company for nine years, and has been in her present position for three years. If she is with an American company, she is more likely to work longer hours than her counterpart in a European company, although she is also more likely to be promoted on merit alone.

The survey reveals that 60 per cent of the women executives felt that they had not advanced as far in their business career as they would have liked. Of this group, British women executives were among the least happy, with over 70 per cent claiming they had not succeeded to the degree they wanted, compared with 34 per cent of West German women executives who responded similarly.

The survey also shows the different attitudes towards women executives in European countries. Overall, 58 per cent responded that they were treated similarly to male colleagues. But nearly 80 per cent of Belgian and West German women felt they were treated as equals, compared with a significantly lower proportioo of Swedish and Dutch women executives who felt the same.

Women executives in Europe, free from Management Centre Europe, 15 rue Caroly, 1040 Brussels, Belgium.

JOBS COLUMN

'All these guys have done is lose their job'

BY MICHAEL DIXON

"WHAT'S WRONG with this society?" asked an American voice over the telephone. The caller was Jane Walmsley whose televislen report on executive unemployment was shown on Britain's Channel 4 Business Programme last Sunday.

The events she was calling about did not get into the programme. But they upset as well as surprised her enough to bring them angrily to the Jobs Column.

When she started setting up the TV report she had two expectatiens. The first was that it would be easy to find a pair of out-of-work managers willing te talk to camera about their predicament and the usefulness or otherwise ef redundancy counsellors who prefer to be called outplacement consultants.

The second was that the said managers would have glaring faults. "I figured they'd be tee old er dim to keep up with the pace of business today, grueseme personalities er obvious losers in seme other way," she explained.

"But I was wrong. I've interviewed a lot ef successful business people. The unempleyed characters were some of the most presentable, persenable and—from their records—talented executives I've seen. They weren't all eld either. It's net leng aince several would have been theught of as in the middle of their most productive years. The youngest was 31."

While the facts instantly disproved Ms Walmsley's second expectation, she initially seemed confirmed in her other belief that it would be easy to sign up a couple of jobless managers to make a fully frontal appearance on the screen. The first two she asked readily agreed.

Then within the next few days each telepboned to announce a *change of mind*. Precisely the same happened with the next four invited. They at first said yes and later withdrew.

Crazy

"Fertunately the seventh and eighth we asked went through with it," the TV reporter said. "But in between times things looked sticky. We were thinking we'd have te interview them back to camera or with their faces shaded out. And I thought te myself: 'This is crazy. The only people you have to do that with are child-molesters; terrorists er fugitives from the Mafia. But all these guys have dene is lose their jobs'."

Even so, from her discussions with the half-dozen who backed out she swiftly divined that their prime reasen for deing so was that they were deeply ashamed ef being eut ef work.

"It mostly toek them quite a time te come eut with it. I particularly remember one who bummed and hawed for a good 20 minutes before saying: 'Look, it's like this. My wife knows I'm unemployed, but the rest of ber family don't.' Even the ones who were out of a job through no fault of their own—company bad been taken over er something—seemed to feel they'd committed some aocial crime."

They occasienally had an air of being fugitives from the Mafia tee. Witness the man who explained: "Getting out of unempleyment can be a leng haul. Let's say this programme goes out with me in it and three menths later I'm asked for interview by somebedy whe saw it. They'll knew then that I've not had a joh for a leng time and I'll be stumped."

Jane Walmsley, used to the less guilt-besmutted attitudes to exectitive firing and hiring in the United States, ceuld hardly comprehend the British discards' evident view ef themselves as heing somehew deservedly pariahs of society. So she checked up en empleyers' attitudes to censidering jebless candidates for higher-grade posts.

Sure eneugh, the checks supported the unempleyed executives' constant refrain that nebody wants you, not just when, but simply because yeu're down and eut. A typical employer's comment was that while having ne ebjection in principle to taking on jobless candidates, he regarded their applications with great suspicien and examined their every claim at least three times.

"It's as theugh people who once fall out of work instantly have their whole previous career record erased. They become non-persons," Ms Walmsley added. "What's wrong with a *society so set on denying such* keen and impressive people a way back?"

As well as being an important questien, it is an uncomfortable one—particularly to this column. During the years ef worsening depressien hleak facts about rising executive unempleyment came in so eften that reporting them gave me a hint ef what it must have been like te write about the casualty lists ef the 1914-18 wsr.

It was net something I wanted te ge en deing once recovery started and there were cheery things to report. But the fact is that executives and skilled specialists are atill being thrown out of werk and, en the evidence of my own checks in addition to Jane Walmsley's, are finding it no easler te get back in. Despite empleyers' laments about shertages ef able people, it seems that the prime qualificatien for being effered a new job is having an old ene te leava behind.

As of yore also, the people who seem to be doing best eut ef the situation are the self-styled outplacement consultants. That is not to say their unfortunate clients mostly, let alene always, do badly out of the deal. Consultants claim, for instance, that only about 6 per cent ef their clientele are still job-hunting after 12 months on their books. Moreover, the Business Programme's report found that the out-of-work executives undergeing counselling believe that they are gaining from it.

Exploited

But there is evidence too that a good many of the counsellors' past clients feel that they received nothing of valne. Some whe en losing their job paid fer counselling services out ef their own pockets believe that they were cynically exploited.

Take fer example the executive insisting on anonymity whose letter arrived coincidentally a few days before Ms Walmsley's telephone call. He points eut that the "failure rates" of 6 per cent or so quoted by the consultancies do not always include clients who despairing of the counsellors' service gave np job-hunting and settled for part-time self employment or etherwise mnddling through.

He chose his particular consultancy (which he also insists goes unidentified) mainly because it hinted in its advertising of baving access to large numbers of well paid openings which are net advertised. But that was the last he heard of any such jobs. After 12 months he abandoned the counsellor in disgust.

"I still find it hard to believe that all I received essentially for my £2,500 outlay was a glossy curriculum vitae that was circulated to about 100 headhunters," he writes.

"My advice would be as follows. By all means use counselling services if the company firing you pays their fees and won't give you the eption ef having a bigger handshake instead. That way yon can't get something worse than nothing.

"If you feel yon must pay for them on yeur own account, examine the small print carefully and get it put in writing what the connsellor will de for your money before you hand any over.

"In any case remember: Most job losers can get access to a personnel specialist whe'll help to produce a cv. Headhunters' names and addresses can be feund in reference books. And yeu can get career records and so en typed and copied for far less than the £20 each that I was stung fer."

Appointments Wanted

BANKING APPOINTMENTS

Expanding Loans Department of consortium bank requires Credit Analyst/Loans Administrator, mid-20s, preferably AIB or part. Tremendous opportunities for advancement. To £12,000, according to experience and excellent benefits.

Prime American bank seeks French-speaking Graduates with minimum two years' banking experience. The successful candidates will be based in Paris. Excellent salary and prospects.

ASB RECRUITMENT
52/54 Carter Lane
London EC4V 5AS
Telephone Shelagh Arnell
01-248 0820

Investment Analysts

to £22,000

We are an insurance company with a strong tradition of industrial life assurance. We employ a large direct sales field force covering the whole of the UK from some 240 office locations with a staff of over 600 at our head office based in modern offices near London Bridge. Our annual premium income is in excess of £140m. Listed on the USM our record in recent years has been good:

	1980	1981	1982	1983	1984
Dividend per share	6.25p	8.50p	9.80p	12.15p	14.60p
Earnings per share	10.67p	11.53p	12.61p	31.17p	28.20p

We are committed to a major expansion of our investment department. The funds we manage are growing and currently exceed £800m of securities. Our plans for growth will ensure excellent career prospects.

If you are looking for a demanding position in either UK or overseas analysis, and a career where the speed of your advancement is geared solely to your own efforts, we can offer you an outstanding opportunity.

We are looking for young, highly motivated analysts with at least two years' experience in fundamental analysis within the research department of a large financial institution who are either graduates or who hold a relevant professional qualification.

We offer a negotiable salary up to £22,000 supported by a range of benefits which includes subsidised mortgage facilities and private medical care.

Please send full personal and career details, including current salary, to Mrs Caroline Johnston, Personnel Officer, United Friendly Insurance plc, 42 Southwark Bridge Road, London SE1 9HE.

United Friendly Insurance

MANAGING DIRECTOR

London

Swaps and Options

A successful new financial services company, affiliated to an established international group, seeks to appoint a senior individual both to execute transactions and to manage a small group of select people broking currency and interest rate swaps and currency and interest rate options.

As Head of the London subsidiary, the appointee will report direct to the company's Managing Director in New York and liaise closely with other European offices.

Candidates will probably be in their early 30's, with a commercial or merchant banking background. They must have 'hands-on' experience in the swap area and will have other capital markets experience.

The salary package is very attractive and will include an equity participation in the new company.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside · London EC2 · Telephone 01-248 3812 3 4 5
Management Consultants · Executive Search

Investment Executive

£14,000—£17,000

The Greater London Enterprise Board now has more than 200 commercial and industrial projects of which 150 are financial investments. We work within a strategic and social framework as well as commercial.

G.L.E.B's Sector Strategy Division needs an investment executive with the financial and commercial experience necessary in making the complex financial arrangements involved in the Board's work.

The work will cover:

— Analysis of financial and business performance
— Capital restructuring and the use of loan finance and equity
— Legal and commercial aspects associated with corporate turnarounds, liquidations and receiverships
— Monitoring and appraisal of corporate investment performance

Candidates must be self motivated and able to work under pressure.

Write, enclosing full curriculum vitae, to: Nick Sharman, Director of Sector Strategy, Greater London Enterprise Board, 63–67 Newington Causeway, London SE1 6BD.

The Greater London Enterprise Board is an equal opportunity employer, and applications are welcome from candidates regardless of sex, race, nationality, age, or marital status and from registered disabled persons.

Greater London Enterprise Board

Group Tax Manager

Home Counties **c.£22,000+car**

This very profitable multi-million pound turnover group is a significant force in its major field of operations and in recent years has greatly enhanced its reputation by successfully diversifying into other activities.

The appointment will provide the opportunity for you to demonstrate your skills across the full gamut of tax matters in an organisation whose management style will ensure that yours is a visible role.

It is expected that the successful candidate, probably in his/her early 30's will be an ACA or ATII with at least 3 years' experience of corporate tax acquired within the framework of a significant organisation. The position will probably suit the current number two in a Corporate Tax Department who is looking for an opportunity to broaden his/her experience, while at the same time seeking an opening which will provide significant freedom of action.

The remuneration package offers the normal blue-chip company benefits including a very good relocation package.

Please forward a comprehensive CV (or telephone for a personal history form) quoting Ref. MD601 to Martha Lampson at Macmillan Davies, Centre Point, New Oxford Street, London WC1. 01-240 6781.

Macmillan Davies

Macmillan Davies International Search Executive

BUSINESS DEVELOPMENT MANAGER

International Securities

City **c£25K + outstanding benefits**

Our client is a unique City organisation which is pre-eminent in its specialist sector. This new post will report to the Executive Director responsible for business diversification and is a key part of the Company's forward plan.

Aged between 28 and 40, you will have had extensive experience of international securities trading and settlement systems, preferably gained in London or the United States. Ideally you will have a good understanding of depository systems for securities and of money markets. It would be advantageous for you to be familiar with European and North American systems and with money transmission facilities such as SWIFT and CHIPS.

You will be able to demonstrate entrepreneurial flair and look forward to exploiting future developments in electronic data transmission. At present, you are likely to be making a significant contribution to a stockbroking house or the securities department of a bank. You are, however, looking for more responsibility and a freer hand to develop your own ideas on new business achievement. You will also be seeking a career move with development prospects and have general management potential.

The remuneration package is negotiable but will include the financial benefits associated with banking employment and free choice of a quality car.

Please write to Keith McNeish (quoting ref 532) showing how you meet the above criteria and enclosing details of your career to date.

cc&p Cockman, Copeman & Partners International Limited
26/28 Bedford Row, London WC1R 4HF

Trading/Sales

A progressive bond and securities trading business based in London is about to embark on a period of controlled expansion.

The company which has offices in London, New York and Hong Kong intends doubling the size of their business over the next two years.

They are currently seeking to employ people with relevant experience in international equities, convertible bonds and equity warrants.

Candidates for these vacancies will have one overriding qualification – and that is the determination to succeed in a challenging environment.

Successful candidates will have the opportunity to travel and will secure salaries commensurate with experience.

Applications should be made in writing to:
Box 388, Streets Financial Limited, 18 Red Lion Court, Fleet Street, London EC4A 3HT.

Executive Selection

Finance & Banking

AGB Recruitment is a management recruitment company operating across a wide variety of industries with particular functional specialisations in marketing, finance and information technology. We are retained by a large number of blue chip companies with some 80% of our assignments handled through executive search.

We are now seeking two additional consultants with experience in one of the following sectors:

★ Banking & Finance
★ Insurance & Pensions
★ Accountancy
★ Broking & Investment

We are interested both in individuals with a successful record in consultancy and those with management experience in one of the above sectors who might wish to move into the rewarding world of recruitment consultancy.

A substantial salary will be negotiated with bonus, company car and the usual fringe benefits. Write with your C.V. quoting reference: 10/153 to:—

AGB Recruitment
173 Sloane Street, London SW1X 9QG
Telephone: 01-235 9891
A member of the AGB Group of companies

Assistant Company Secretary

(Grosvenor Place, S.W.1.)

Coates Brothers plc., the printing inks to resin group, is seeking a successor to their Assistant Company Secretary who is retiring.

Reporting to the Company Secretary of the group, which has a turnover of £182 million with major holdings in 43 subsidiary companies throughout the world, the Assistant Secretary's responsibilities will be demanding, and wide ranging, and will include statutory work, stock exchange requirements, pensions, insurance, property and legal matters.

Applicants should be Chartered Secretaries or equivalent with relevant experience in a large industrial or commercial organisation.

Please write in the first instance to:
Brian Meadows-Smith, Personnel Manager, Coates Brothers plc., Cray Avenue, St. Mary Cray, Orpington, Kent, BR5 3PP.

Coates

Assistant Manager

Securities Department

We are seeking an Assistant Manager to act as No. 2 in our Securities Department.

The successful candidate will be over 30 and have 10 years' Securities experience gained in a banking and/or stockbroking environment.

In addition to a thorough working knowledge of U.K. and Foreign Securities (including contracts/settlements/dividends/capital issues) you must be able to demonstrate proven leadership and management skills.

We offer an attractive salary plus the usual banking fringe benefits including mortgage subsidy scheme, private medical cover, pension and life assurance, season ticket loan, flexible working hours and free staff restaurant.

Please write giving details of your career to date and current remuneration, to:-

Linda Cobbold,
Assistant Manager – Personnel,
The Royal Trust Company of Canada,
Royal Trust House,
48-50 Cannon Street,
London EC4N 6LD.

ROYAL TRUST

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Group Planning Controller

Qualified Accountant/MBA aged 28 – 32
Central London, from £30,000 + car + substantial bonus

This position requires a candidate of outstanding potential which will be matched by career opportunities.

The company, a major force in consumer goods, has a remarkable profit record and plans to expand significantly over the next 5 years by organic growth and an aggressive acquisition programme.

Reporting to the Group Financial Controller, the successful candidate will play a major role in the development of 3–5 year growth plans, monitoring the company's performance in relation to the competition and the market, identifying new market sectors and potential acquisitions appropriate to the Group, investigating these to assess their value to the Group and carrying out ad hoc projects on new business development. Candidates must have held a senior financial position in a large and respected organisation whose financial function is advanced and disciplined. Experience in corporate planning and skills in computerised financial modelling are essential.

Please send full details of career to date to H.W. FitzHugh. Male or female candidates should telephone in confidence for a Personal History Form 01-734 6852, 6th Floor, *Sutherland House, 5/6 Argyll Street, LONDON, W1V 1AD. Ref: 20275/FT.*

SYNDICATIONS EXECUTIVE

C.£40,000

An active marketing based Syndications Executive is sought to concentrate on the acquisition of mandates for lead/co-lead managements and underwriting positions on medium term commitments, and possibly to assist on documentation aspects. Familiarity with Asset sales and Capital Market products (Bonds, Euronotes, FRN's and Swaps) would be most advantageous.
Please contact Bryan Sales.

TAXATION SPECIALIST – INTERNATIONAL

£25,000-£30,000 + Benefits

An opportunity now exists for a Senior Taxation Specialist (ACA/ATII), to join an expanding International Banking Group. The successful Candidate will combine first class international taxation experience — particularly UK, US and European — with a sound knowledge of major asset finance/cross-border leasing activities, having specialised in that area for a minimum of 5 years. The financial package reflects the seniority of this appointment, and is designed to attract exceptional candidates seeking positive career progression.
Please contact Jill Backhouse or Brian Gooch.

TAXATION SPECIALIST – UK

C.£17,000 + Full Benefits

A Major Banking Group seeks a highly professional Chartered Accountant, aged 27-30 years, with a minimum of 2 years UK corporate taxation experience, gained within the specialist division of a "top 8" accounting firm, or a banking environment. This position represents a genuine opportunity for personal development, and candidates should possess strong communicative skills and a creative approach to taxation problems.
Please contact Jill Backhouse or Brian Gooch.

CREDIT ANALYSTS

£10,000-£17,000

On behalf of a number of our clients, well established International Banks, we are seeking several ambitious Credit Analysts (23-32) with a minimum of one year's experience of company lending applications, and balance sheet spreading. Depending on experience, positions range from a potential marketing role to credit management, within the foreseeable future. Applicants should be well educated, self motivated and possess the desire to progress quickly.
Please contact Trevor Williams

All applications will be treated in strict confidence.
JONATHAN WREN & CO. LIMITED,
170 Bishopsgate, London, EC2M 4LX.
Tel: 01-623 1266

Jonathan Wren
RECRUITMENT CONSULTANTS

The financial services industry is on the move. Are you?

Coopers & Lybrand Associates, one of the largest and fastest-growing firms of management and economic consultants in the UK, is experiencing a growing demand for its specialist consultancy services in the financial sector. In response to this demand, we are rapidly expanding our Financial Services Group, and are currently seeking experienced individuals to assist us in that expansion.

The Financial Services Group provides a range of assistance to clients in areas such as Corporate Banking, Insurance, Investment, Treasury and Retail Finance. Our assignments require us to draw upon our wide spectrum of analytical and practical skills on our clients' behalf; we undertake strategic business planning and economic market analysis; we provide specific diagnostic recommendations on current financial systems, and are involved in the implementation of improved computer systems and the development of long-term information technology strategy. Moreover, although based in London and the UK, we are also extensively called upon to advise clients throughout Europe, as well as Africa and the Middle East.

We require outstanding individuals capable of embracing a wide range of disciplines with the initiative to be able to adapt to a variety of demanding situations. We are looking for people with at least 3 years' experience in the financial sector, preferably in the Insurance, Investment or Building Society fields. You should be aged 27-35, ideally a graduate, with a relevant professional qualification. As a consultant or senior consultant, you will be London based with a salary of up to £30,000.

If you feel you have the right response to our demand, please send a résumé, including daytime telephone number, to Murray MacFarlane, Coopers & Lybrand Associates, Fleetway House, 25 Farringdon Street, London EC4A 4AQ, quoting ref. F01/7.

Coopers &Lybrand

For business committed to growth.

APPOINTMENTS ADVERTISING APPEARS EVERY THURSDAY

Rate £37.00 Per Single Column Centimetre plus V.A.T.

SPOT TRADER

Leading UK Merchant Bank Expanding its Dealing Activities

The bank is one of the most prestigious of the Accepting Houses. It has substantial international operations and is a leading name in the foreign interbank market. A new emphasis is being put on trading and the plan is for the bank to become more dealer driven.

You would have the opportunity of setting up a Spot Dollar/Sterling business as a senior member of an established but relatively young spot trading team. You would benefit from the excellent name of the bank and its lead position as a market maker in another currency. There would be good prospects for advancement.

You need to have had at least two years spot dealing experience in a major currency, not necessarily in Dollar/Sterling. Age: 28-32. Remuneration: £25,000-£35,000 plus bonus and a car..

Your name will not be released until we have briefed you and you have given your consent. Please write to me, Terence Hart Dyke, consultant to the bank.

Business Development Consultants (International) Ltd
63 Mansell Street London E1 8AN

BDC

Eurobond Trading and Sales

Hambros Bank Limited is seeking ambitious young individuals to join its Eurobond Desk within the International Debt Issues Division. We are a market maker in sterling, Australian dollar and New Zealand dollar straights and in the sterling and dollar floating rate markets. Expansion of these activities has led to a number of opportunities on both the trading and associated sales side.

Successful applicants will probably be in their early twenties and will have either had some exposure to these markets or will have had at least two years' experience in economic research with a financial institution. He or she will be expected to assume responsibility for trading or servicing a group of clients. Consequently, an ability to assess complicated situations, take decisions and communicate effectively are the essential ingredients for success.

Because of the importance of these positions, an excellent salary and a full range of fringe benefits will be negotiated.

Please apply in writing, enclosing a detailed curriculum vitae, to Mr. A. F. Brignall, Head of Personnel, Hambros Bank Limited, 41 Bishopsgate, London EC2P 2AA.

HAMBROS BANK

EFT/POS FINANCE DIRECTOR

C £30,000 + CAR + STOCK OPTIONS

We are a small company in the forefront of EFT Systems and terminals. We are financed via equity by multinationals and our services are used by major retailers and British Telecom. We require a fully qualified professional, male or female with a desire to play a crucial role in a fast growth situation. Your responsibilities will include finance, secretarial and administration duties and will be critical in ensuring success and profitability. Above all your imagination, drive and the will to excel are your most important attributes.

Please reply with full C V to: Michael Jarman, Managing Director, Create Communications Limited, 1A Union Street, Reading, Berks RG1 1EU

FINANCIAL INFORMATION SERVICES

Customer Support Executives — Salary: £8,400

Marketing Assistant — Salary: £8,400

Our Client is recognised as an international leader in the provision of on-line financial information to major clients in the **City of London.** Their commitment to providing their customers with accurate and timely information, together with outstanding service, prompts their requirement to appoint additional **Customer Support Executives** and one **Marketing Assistant.**

The Customers Support Executives will be required to provide post sales support to clients. This will include considerable customer contact both by telephone and in person.

The Marketing Assistant will be required to assist the sales team in market research, market analysis and arrangement of promotional activities.

Successful candidates are likely to be aged in their early 20's, will be intelligent, well presented, articulate individuals who, after a period of in-house training, will be competent and confident in dealing with executives within the challenging City environment.

The salary package includes a regular review procedure, together with major company benefits. There are also excellent opportunities for career development within this successful organisation.

For further information, or to apply, please contact Andrew Goodman during working hours on 01-486 8591, or alternatively write to him at the address given below, quoting reference number NM0760.

Duke House, 37 Duke Street, London W1M 5DF
Telephone: 01-486 8591

OGILVIE EXECUTIVE
PERSONNEL AND MANAGEMENT CONSULTANTS

FX and Currency Deposit Brokers

Marshalls (Ireland) Ltd. wish to appoint additional Spot Foreign Exchange and Currency Deposit Brokers to their Dublin office. Experience of the Dublin Market would be an advantage.

Re-location expenses will be met by the company. Salary to be negotiated, commensurate with experience.

Applications together with a full C.V. should be sent to:

Mr. Colin Gregan, Managing Director,
Marshalls (Ireland) Ltd.,
33 Fitzwilliam Square,
Dublin 2, Ireland.

EUROBOND SYSTEMS

A highly self-motivated person with experience of Eurobond Settlements is required in a small, expanding company for a demanding position.

Exposure to computerised systems desirable but less essential that a wide background in a Bond office.

Flexible remuneration package up to c £17,000.

Write Box A8997
Financial Times
10 Cannon Street
London EC4P 4BY

Want a New, Exciting Challenge?

CORPORATE FINANCE EXECUTIVE
(Capital Markets)

BROKER
(Currency and Interest Rate Options)

One of the largest and most renowned Money Broking organisations is keen to expand the range of financial services offered to its worldwide corporate clients. A notable aim at present is to increase the company's ability to help manage currency and interest rate risk.

As **Corporate Finance Executive**, you will control a small team in dealing with such instruments as interest rate and currency swaps and currency and interest rate options.

Thus, previous exposure to the money and capital markets area is essential, probably gained within the Corporate Finance Department of a respected Merchant Bank. Although based in the City, considerable worldwide travel will be involved. Age, 25-35 years.

As the company's **Broker** concentrating on currency and interest rate options, you will welcome the chance perhaps to learn a new product, although some knowledge of this area already would be useful. Age, mid-twenties.

For the more senior role, considerable autonomy will be granted to allow you to develop your skills to the maximum. In both instances, you will need to be self-motivated, mature, stable and keen about the prospect of working in a non-structured environment.

Salary is totally negotiable as is a comprehensive benefits package, including bonuses based on results. Future career prospects are superb.

Interested? Then, clearly indicating for which position you are applying, ring or write in the strictest confidence to me, Richard J. Sowerby, Sowerby's (Selection) Ltd., Personnel Consultants, 500 Chesham House, 150 Regent Street, London W1R 5FA. Telephone: 01-439 6288.

Sowerby's Selection

SHAW & CO PRIVATE CLIENTS

We are looking for experienced people to join our expanding Private Clients Department. Stock Exchange qualifications essential. Remuneration by arrangement. Phone 01-638 3644 or write to Andrew Pott and Francis Roberts at this address:

4 London Wall Buildings, Blomfield Street London EC2M 5NT

IMPORTANT NEW POSITION

PERSONNEL DIRECTOR

to £35,000 + Car

Company: Leading Prestige City Financial Company.
Position: Responsible for existing 2,000 personnel and ongoing expansion programme.
Experience: A similar position probably with a leading firm of Accountants or Bankers or related discipline.

Interested applicants please send CV to:
ROY STOCKTON, MD,
Stockton Associates, Recruitment Specialists,
29 Glasshouse Street, London W1. Tel: 01-734 8466

Top Executives

earning over £20,000 a year

Can you afford to waste nearly £2,000 a month in delay? Minster Executive specialises in solving the career problems of top executives. The Minster programme, tailored to your individual needs and managed by two or more partners, is your most effective route to those better offers, 75% of which are never advertised.

Our clients have an impressive record of success; many blue chip companies retain our services in the redeployment of their top people.

Telephone or write for a preliminary discussion without obligation—or cost.

MINSTER EXECUTIVE LTD
28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309 / 1085

LONDON FIRM OF STOCKBROKERS

Require junior dealer or blue button ready for immediate authorisation. Good prospects with salary and usual benefits to encourage ambition

Send details of experience to: Box A8998, Financial Times 10 Cannon St, London EC4P 4BY.

Head Up FRN's For A Leader

This international securities house is one of 1985's top lead management houses. The corporate climate is progressive and positive as far reaching expansion plans take place. The Company already has a secondary market presence in FRN's and is a market maker in many issues. It now plans to establish a separate FRN trading department not only to make markets in selected supra national issues but also in the many FRN issues which the company itself brings to market. Generous capital amounts are budgeted to fund the operation.

As head of FRN trading and reporting to the head of overall trading you will develop existing and create new and profitable trading opportunities. Moreover you will be expected to contribute to and agree overall trading strategy within approved trading limits.

Aged between 27 and 35 you are a professional trader with several years' experience in bond markets especially FRN's. You are an experienced market maker and able to train, co-ordinate and develop less experienced staff. Ideally you know computer systems.

An excellent salary plus generous banking benefits will be negotiated appropriate to the level of appointment. If you are attracted to this senior position in a rapidly growing market, please telephone Derek Cox of Cripps, Sears & Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701.

Cripps, Sears

Corporate Finance

YOUNG TALENT

A pre-eminent firm of Stockbrokers seeks one or possibly two people to work in its Corporate Finance Department.

- THIS IS AN OPPORTUNITY to join a relatively small team with a leading position in the market.
- THE REQUIREMENT is for a qualification in Law or Accountancy, which will probably have been gained with a major City firm. Some experience of New Issue work would be an advantage.
- AGE: mid-20's. Remuneration unlikely to be less than £16,000.

Write in complete confidence to A. Longland as adviser to the company.

TYZACK & PARTNERS LIMITED

10 Hallam Street, London, W1N 6DJ. Telephone: 01-580 2924

NATIONAL MUTUAL LIFE

Putting people first since 1830

Investment Management

There is a vacancy for a FUND MANAGER (OVERSEAS) whose principal responsibility will be the management of a number of the Group's North Aberdeen equity portfolios. An increase in the range of unit linked products has given rise to enhanced opportunities for Fund Managers.

The successful applicant is likely to be a graduate aged between 25 and 35 with some previous investment experience who should be prepared to accept responsibility for the performance of Funds under his or her management.

The position offers excellent career opportunities and attracts a comprehensive benefits package.

Please apply in writing to:

Miss K.R. Lewry
Personnel Manager
National Mutual Life Assurance Society
5 Bow Churchyard (Off Cheapside)
London EC4M 9DH.

ELECTRICITY SUPPLY PENSION SCHEME

SENIOR INVESTMENT ANALYST (OVERSEAS)

£14,972 to £18,145 pa inc.

The Pension Department of the Electricity Council manages the investments of the Electricity Supply Industry's Pension Scheme. *The value of these funds is now in excess of £4bn.*

You will assist in the management of the Scheme's holdings of stocks and shares worldwide. The overseas research emphasis is directed primarily towards the American markets, *although there are also interests in* Europe and the Pacific Basin. You will produce specific recommendations for the purchase and sale of quoted securities based on analytical research and occasional visits to company managements. There will be scope to influence the overseas investment programme generally.

You should have a sound knowledge of economic and investment principles and techniques, and will already have wide practical *experience of overseas investment research* within the Investment Industry, with particular reference to the U.S.A.

An appropriate qualification is desirable.

Please write in confidence with CV and current salary quoting ref. 49/FT to:

David Webb, Recruitment Officer,
The Electricity Council,
30 Millbank, London SW1P 4RD.

The Council is an Equal Opportunity Employer

ELECTRICITY COUNCIL

CUSTOMER DEALER

Foreign Exchange City Neg to £16,500

National Girobank, one of Britains' *major financial institutions, is seeking* to appoint a Customer Dealer to its Foreign Exchange Dealing Room.

Candidates should be experienced Forward and Spot dealers working in either a bank/licenced deposit taker *or in the treasury unit of a major* corporation.

The successful candidate will be expected to make a significant contribution to the development of National Girobank's International/*Treasury activities; career* development prospects within this rapidly growing and diversifying area of the bank's activities are excellent.

Starting salary will be within the *range of £13,500-£16,500 (inclusive* of London Weighting) depending on experience.

Benefits include a minimum of 5 weeks holiday and a contributory index-linked pension scheme.

Please reply in writing, outlining *career and salary progression with* details of your experience and qualifications to: Peter Farrer, Head of Management Development, National Girobank, 10 Milk Street, LONDON, EC2V 8JH.

NATIONAL Girobank

Financial Researcher

Central London

At Consumers' Association we are seeking to broaden our expertise in the investments area, to enable our Money Group to provide our readers with the type of financial information and advice that they have come to expect of us.

Primarily we are looking for a mathematics or statistics graduate with at least one year's experience in the financial sector, some of which should have been in investments. Someone with an analytical mind, a flexible approach and an ability to express themselves clearly will find the post an interesting challenge. Experience of working with computers and an interest in programming would be an advantage.

Salary on appointment will be on a rising scale starting c.£10,500 p.a.

Please write (by 14th June 1985) for an application form and further details to: Personnel Services Manager, Consumers' Association, 14 Buckingham Street, London WC2 6DS.

Which?

Eurobond Dealers

Union Bank of Switzerland (Securities) Limited in London is seeking experienced Eurobond Dealers to complement its existing trading team. Candidates should be in their mid/late twenties and have at least three years' experience of trading in international fixed-income securities preferably with an active market maker.

Although fluency in English is essential, a sound command of German and/or French would be an advantage.

Remuneration will be competitive and related primarily to experience.

Full career and personal details should accompany a hand written application and be addressed in confidence to Mrs Lyn Usher at:

Union Bank of Switzerland (Securities) Limited, 13th Floor,
Stock Exchange Building,
Old Broad Street, London EC2N 1EY

UBS Union Bank of Switzerland (Securities) Ltd.

CABLE T.V. MANAGING DIRECTOR

Our client, Clyde Cablevision Ltd., is licensed to provide cable T.V. in a major part of Glasgow, an area covering over 120,000 premises. Funding of £30 million is complete and investors include major industrial and financial companies.

We seek a Scottish M.D. to lead a young team in rapidly developing the service and its market, to extend the economic use of the cable facility and to represent the company in the community.

Candidates will probably have strong marketing skills developed in consumer-related fields. They will have successfully led a team of diverse skills.

The age bracket is 32-45. The reward package is in the range £37,000-£45,000.

Please write in strict confidence to Keith Whitten

Directorship Appointments Limited

7 Cavendish Square, London W1M 9HA.

LME FLOOR TRADER

London Metal Exchange Broker and International Metal Merchant has interesting position with rewarding future for Floor Trader and Client Liaison. Previous experience preferred.

Please submit full C.V. to Box A9023, Financial Times, 10 Cannon Street, London EC4P 4BY

TRADING ANALYSIS

Young ACAs

City c £23,000

Our client, one of the leading Investment Banks, is looking for a dynamic, qualified accountant to fill a demanding role.

A considerable amount of the banking transactions are handled in London, and because of the complexity and volume of business transacted exciting new opportunities have arisen for young accountants.

This position involves analysis of securities and money market trading activities, monitoring profitability, developing and implementing controls, through a close working relationship both with the traders and related back up staff.

If you have an impressive track record and ambition to succeed in a fast moving environment, we would like to hear from you.

For further details of this position please write or telephone the number below during office hours quoting Ref: FT/SM.

Rochester Recruitment Ltd., 22A College Hill, London EC4R 2RP
Telephone: 01-248 8346

APPOINTMENTS ADVERTISING

Rate £37.00 per single column centimetre plus VAT

INVESTMENT MANAGER

Smaller Company Pension Funds

A fast growing financial institution is committed to the rapid expansion of its investment management activities. This is a *relatively new side of the business and funds under management* are mainly concentrated on private clients and unit trusts.

The company now wishes to develop its business in the pension fund arena and is looking for an additional Investment Manager to play a major part in this development as well as in the management of existing portfolios.

The successful candidate should have several years' experience of managing UK company pension fund portfolios as well as of presentation work to potential clients. He or she will be late twenties to early thirties with a degree and/or a professional qualification.

The remuneration package will be highly competitive and will include the opportunity to acquire an equity interest.

Please apply in first instance, with brief cv to:

Walter Judd Limited (Ref. L665)
(Incorporated Practitioners in Advertising)
1a, Bow Lane, London EC4M 9EJ

INTERNATIONAL INVESTMENT MANAGEMENT COMPANY

Due to increased market activity, International Investment Management Company located in West End seeks the following:

Junior Research Analyst
A young economist, preferably with a financial background, is needed to assist our Investment Department. The successful applicant will need to be ambitious and a self-starter.

Junior Dealer
A Junior Dealer is required to assist the Fund Managers. Ideally he or she will have some financial market experience. However, this will not exclude school leavers with aptitude.

Assistant to Settlements Manager
A young person with financial settlements background is required to fill this vacancy.

All salaries are negotiable according to age and experience.

Please send CV to Box A9020, Financial Times, 10 Cannon Street, London EC4P 4BY

TRAINEE OPTIONS POSITION KEEPER

A leading international bank requires the above position to be filled by somebody who already has some experience in O.T.C. Options. The ideal candidate should be in his/her early twenties and have a degree in a business-related subject. A very competitive remuneration will be offered to the right candidate.

Please reply in writing and enclose a full c.v. to:
Box A9025, Financial Times
10 Cannon Street, London EC4P 4BY

Al Baraka International Limited

Our expanding LDT requires:-

An Urdu speaking marketing officer with a proven track record among the Pakistani/Indian community in the U.K. Good bank credit training required.
Salary up to £20,000.

An Arabic speaking client relationship officer with good general banking experience.
Salary c. £20,000.

Experienced general banking operations clerk.
Salary up to £11,000.

The usual bank fringe benefits.

Please send your c.v. to: Mrs A Sturt,
AL BARAKA INTERNATIONAL LIMITED,
14 Cavendish Square, London W1M 9DA.

FREELANCE WRITER

FOR PERSONAL INVESTMENT NEWSLETTER

Copy must be conversational, sometimes controversial and always lively. Publication is monthly and eight pager. Successful candidate could well become the effective editor and must supervise all the way through to final print.

Send brief CV AND also 350-400 word article to:
Box A9021, Financial Times, 10 Cannon Street, London EC4P 4BY

Unadvertised Posts

Over 70% of the unadvertised appointments identified by leading redeployment consultants come from recruitment consultants. CEPEC's Job Search Guide lists over 100 leading recruitment consultants and costs £7.25. Phone 01 930 0322 or write:

CEPEC 67 Jermyn Street, London SW1Y 6NZ. London 01-930 0322, York (0904) 642490.
The Founders of Redeployment Counselling in the UK

Chartered Trust

Director of Administration

£40,000

Chartered Trust plc, one of the country's foremost finance houses, with major interests in instalment credit, leasing and contract hire, is a wholly owned subsidiary of Standard Chartered Bank, whose worldwide assets exceed £28 billion.

In anticipation of a forthcoming retirement, a Director of Administration is required who, as a member of the Main Board, will be required to make a major contribution to the strategic development of the Company and assume control of the credit granting, information systems, administration and auditing functions.

Candidates of degree calibre and preferably aged 35-45 must have considerable senior management experience in these areas in a large organisation, ideally in the financial sector. Well developed interpersonal skills appropriate to this level of appointment are essential.

A comprehensive remuneration package will include a salary of c.£40,000 and normal financial sector fringe benefits. Assistance will be offered, if appropriate, in relocating to the Cardiff area which offers an excellent choice of coastal, rural and city locations.

Please write in strict confidence, reference 1008, to David Thompson, Managing Director, Bull Thompson and Associates, 63 St. Martin's Lane, London, W.C.2, who is advising on this appointment.

Bull Thompson

CORPORATE AND RECRUITMENT CONSULTANTS

CJA

RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01·588 3588 or 01·588 3576
Telex No. 887374 Fax No. 01·638 9216

CJRA

A new development within the bank

INTERNATIONAL BOND SETTLEMENT MANAGER

CITY — ATTRACTIVE SALARY

FOREIGN BANK

We invite applications from candidates, who must have had at least 5 years' bond settlement experience gained within any demanding banking and/or stockbroking environment. The successful applicant, who will report to the General Manager, will be responsible for establishing and running this new department. Key to the success of this appointment is the ability to grow with the job and to build and motivate a support team. An attractive salary is negotiable plus bonus and other benefits.

This same client also seeks an Assistant and further back up staff for the above Manager, with about 2 years' bond settlement background.

Applications in strict confidence under reference IBSM16765/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

APPOINTMENTS ADVERTISING APPEARS EVERY THURSDAY

RATE £37.00 PER SINGLE COLUMN CENTIMETRE plus V.A.T.

Director of Operations Europe

Our Client is an American owned Group in the travel and leisure industry with a European head office based in London W1. A trebling of activities is expected in the near future.

Reporting to the USA based Managing Director the appointee will be responsible for the growth and financial management of the European interests.

Candidates, ideally in their thirties, must be qualified accountants who have gained some general experience in the travel, leisure or related business. The ability to motivate and expand the existing team is essential. The basic salary will be more than £20,000 and there are excellent benefits.

Please apply in writing to Peter Barnett, FIPM, MIMC, quoting reference 8451,
Barnett Consulting Group Limited,
Providence House, River Street, Windsor, Berkshire, SL4 1QT. Tel. Windsor 58868.

Barnett Consulting Group

Executive Job Hunters!

£20,000 p.a. + +

FACT: There are more executives seeking top jobs than there are jobs available.

PROBLEM: How to secure a new position easily and confidentially.

SOLUTION: Ask experienced professionals to help you. We advise on your career options, design a personal marketing plan, and work with you in team work to locate your next appointment.

London is the executive recruitment centre for the English speaking world. Through our network of contacts, information systems and technology, over 80% of our clients have identified unadvertised vacancies.

We charge you fees for our work — it could be the best investment you ever make.

Contact us today. An initial meeting is free.

Expatriates enquire about our EXPAT EXECUTIVE SERVICE.

Connaught

Executive Management Services Ltd,
32, Savile Row, London W1 01-734 3879

Accountancy

Group Financial Director

The Stag Furniture Group, the leading U.K. manufacturer of quality Cabinet Furniture, has a turnover in excess of £30m with 1,200 employees and headquarters in Nottingham.

This appointment calls for a mature Chartered Accountant with relevant industrial experience, including a period in a manufacturing company.

The successful applicant will be expected to make a major contribution as a member of the Holding Company Board to the efficiency and profitable growth of the Company. The remuneration package will reflect the importance of the position.

Applications, which will be treated in absolute confidence, should be addressed to:

The Chairman
STAG FURNITURE HOLDINGS PLC
Haydn Road, Nottingham NG5 1DU

INTERESTED PARTIES

who wish to join

ADRIAN COLLINS

formerly Managing Director of Gartmore Investment Management Limited, in putting together a new financial services company should contact him by writing in the first instance to:

32 Portland Road London W11

EUROBOND TRADES/SALES

Assistant Manager 20s £30,000 p.a.
Straight Bond Trader/Salesperson neg.
Minimum one year's experience as straight bond trader/salesperson sought by rapidly expanding bank. First class opportunity.

Assistant Manager 20s £30,000 p.a.
FRN Trader/Salesperson neg.
FRN trader/salesperson sought by same bank which is fast increasing its trading operations.

This bank has very substantial financial backing and there are outstanding opportunities in both appointments to gain further technical and managerial knowledge.

Please speak with Elizabeth Hayford on 01-377 8600
LJC Banking Appointments, 146 Bishopsgate, London EC2M 4JX

JOB HUNTERS. Word Processing/C.V's and mailing list. Please ring for further details. Tel: 01-393 9011.

CURRICULUM VITAE professionally written. Choice of styles. For details tel: P.M.S. at Gt. Missenden (02406) 3367.

FRENCH NATIONAL, wide experience of top financial management of U.S. corps., looking for commensurate position or possibility to act as broker, agent, consultant for U.S. corp. in France. Write Box A9017, Financial Times, 10 Cannon Street, London EC4P 4BY.

Appointments Wanted

MANAGING DIRECTOR
42, German, fluent English, 15 years experience in the measurement and control business (infra-red) in an American company located in the Rhine-Main area seeks responsible position with a dynamic company.
Write Box A9010, Financial Times 10 Cannon St, London EC4P 4BY

Director of Finance and Administration

Nottingham based — **Negotiable salary+car +relocation expenses**

Pannell Kerr Forster, with some 39 offices in the U.K. and Ireland, is a rapidly developing International Association of accounting practices represented in some 70 countries throughout the world. A recent and exciting part of this development within the UK and Ireland has been the establishment of a National Partnership.

This Partnership will, in its everyday operation, be headed by a Managing Partner with a team of Directors responsible for a range of professional and administrative functions. One of these will be Finance and Administration, where the appointment of a Director to co-ordinate and control the financial and administrative affairs of the Partnership, is seen as a significant new role in furthering the National Partnership's progress.

The successful applicant for this demanding role will be aged 35 to 45 with either an accounting or company secretarial qualification. Similar experience in administering the affairs of a professional organisation using computerised systems, though not necessarily a firm of chartered accountants, is essential.

Please write in the first instance submitting a concise curriculum vitae and quoting reference 0587 to:

Peter Childs,
Pannell Kerr Forster Associates,
New Garden House,
78 Hatton Garden,
LONDON, EC1N 8JA.

Pannell Kerr Forster Associates
MANAGEMENT CONSULTANTS

INTERNATIONAL DEALING

Assistant required for expanding International Dealing Department.

Experience of overseas dealing and a knowledge of settlement procedures an advantage; However a high degree of self-motivation and an ability to work within a small group essential.

Attractive remuneration package to suitable candidate.

Please reply with full C.V.

To Barry Collins

James Capel & Co.
100 Old Broad Street
London EC2N 1BQ

01-588-6010

Finance Director
Framlington Group plc

City

c £35,000 + Car

Framlington Group plc is a rapidly growing fund management group which includes a unit trust management company with about £280 million under management, a life insurance company, an offshore fund management company and a computer software company. The group is a public company listed on the Stock Exchange with a market capitalisation of £14 million.

The group now seeks a successor to the Financial Director who retires at the end of the year. The position will have responsibility for all the accounting, administrative and company secretarial functions within the group, and carries with it appointment to the main board. The FD will be expected to evaluate all new financial propositions and to provide creative advice on the Group's future strategy.

The ideal candidate will be a chartered accountant in his or her mid 30's. He or she will be a graduate with a good honours degree, should have experience of working in a financial services company, and will preferably have some knowledge of unit trust management and/or life insurance companies. Personal qualities of integrity, flexibility and commitment are required, as is the ability to motivate and get on well with a small team of people.

Please reply in strictest confidence, giving concise career, personal and salary details, quoting Ref: ER780 to Peg Eva, Executive Selection.

Arthur Young Management Consultants,
Rolls House, 7 Rolls Buildings,
Fetter Lane,
London EC4A 1NH.

Arthur Young Executive Selection
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

OFFICE MANAGER

The rapid growth of Prolific Unit Trusts, and other funds within the Provincial Insurance Group, has created the need for an experienced Office Manager to take responsibility for Investment Department administration. Group investments are in excess of £600m.

The ideal candidate will have had several years' experience of investment accounting procedures and knowledge of computerised systems.

A competitive salary will be paid to the right individual and company benefits include subsidised mortgage facilities.

Reply, enclosing c.v., to:

H. T. W. Janson
Investment Director
Provincial Insurance
222 Bishopsgate
London EC2M 4JS

Prolific UNIT TRUSTS

ACCOUNTING MANAGER

CITY OF LONDON

Required for trade and technical magazine publishing company—a subsidiary of the Ladbroke Group Plc. The company is expanding dramatically—turnover £2½ million to £8 million since 1982—both organically and by acquisition. The need now is for a flexible but disciplined, experience accountant to help account for future growth. The post would suit either a younger qualified accountant with at least 2 years PQE or a more experienced but nonetheless ambitious person. Salary and benefits negotiable. Please send a comprehensive C.V. with salary history to Liam Dexter, Finance Director, United Trade Press Ltd., 33/35 Bowling Green Lane, London, EC1R ODA.

Financial Controller
Insurance

Essex — **to £25,000 + car**

Our client is a small UK subsidiary of a substantial international group which is in the process of increasing its market share. This process is likely to be accelerated by means of acquisitions within the near future.

Owing to promotion, a financial controller is sought to head up a small, lively and enthusiastic team. Broad-ranging duties include the management of the accounting function, establishing budgets, analysing and interpreting results as well as assisting in the development of the business.

Aged 28-35, applicants will be qualified accountants with supervisory experience in an insurance company, in addition to which company secretarial experience would be advantageous.

Benefits include a subsidised mortgage, and Private Health care.

Please write, in confidence, to M J B Ping, enclosing a detailed CV quoting reference F/295/P, at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

E&W Ernst & Whinney

Accountancy Appointments

Accountant Unit Trusts

Major Financial Services Group

Portsmouth c.£20,000 + Car

Schroder Financial Management provides an integrated range of financial services to individuals, partnerships and private companies. We currently employ over 600 staff based in over 20 locations in the United Kingdom.

The exceptional growth and development of our Unit Trust Company - Schroder Unit Trust Managers Limited - now the sixth largest unit trust company in the UK - has created the need for an Accountant to join the Administration team based in Portsmouth.

Reporting to the Administration Director, this newly created position will involve responsibility for company and fund accounting, dealing and other services. As a key member of the management team, the successful candidate will contribute towards strategic planning, development of new systems and procedures and general management.

The requirement is for a qualified accountant with at least 2 years relevant experience. In addition to accounting expertise, the role calls for an effective manager and administrator who is able to interact effectively with senior management within the Group.

In addition to a competitive salary, we offer a substantial range of benefits, which includes a Company car, mortgage subsidy, non-contributory pension scheme, and comprehensive relocation assistance.

For further details and/or an application form, please write or telephone:

G M Keeley, Group Personnel Manager, Schroder Financial Management Limited, Enterprise House, Isambard Brunel Road, PORTSMOUTH PO1 2AW. Telephone: Portsmouth (0705) 827733 Ext. 335.

Schroder Financial Management
LIMITED
UNIT TRUSTS · LIFE ASSURANCE · PENSIONS · ASSET MANAGEMENT

BADENOCH & CLARK

GROUP FINANCIAL CONTROLLER

c.£16,000 + Car

The growth of this manufacturing and distribution Plc has created an opening designed to strengthen the head office accounts function based in the City.

They wish to recruit a qualified A.C.A. with 2 years' pqe preferably in a commercial environment, who will contribute to future planned expansion. The position entails group accounting, forecasting and treasury work and may include visiting group subsidiaries throughout the British Isles. Contact: **John Cullen.**

FINANCIAL ANALYST

c.£15,000 + Bens

This is an excellent opportunity for a graduate, preferably in a numerate subject, newly-qualified A.C.A. to join a "blue-chip" company.

They are recruiting a member of a small team whose brief covers investigations, acquisitions and development plans.

Candidates must be conversant with analysis and D.C.F. techniques and have had extensive d.p. exposure to help in the development of a forecasting model. Contact: **Robert Morgan.**

Financial Recruitment Specialists
16-18 New Bridge St, London EC4V 6AU
Telephone 01-583 0073

Management Accountant

South West London

Our client, H Randell & Son Limited, is a small, profitable property development and construction company operating in the London area. The company has recently been acquired by a major construction and engineering group which intends to allow considerable autonomy in the company's day to day operations and is looking for rapid growth over the next few years.

Reporting to the Managing Director, the management accountant will lead a small department and be responsible for all aspects of accounting and financial control. This will include computer systems development, cash control and management reporting both within the company and to group.

The requirement is for a qualified accountant, aged around 30-35, with extensive experience gained in the construction industry, using computerised accounting systems and preferably including some knowledge of company secretarial duties.

Remuneration: around £15,000 plus significant benefits.

Please write in confidence to A J Walker (Ref 104).

KMG Thomson McLintock
Management Consultants
15 Pembroke Road Bristol BS8 3BG

OIL EXPLORATION

to £12,000 Central London

Our client is a successful UK independent oil and gas company with extensive operations in the North Sea and profitable non-operated production interests. Their strong performance is expected to continue and will result in further expansion.

In this challenging position your primary concern will be to head a small team responsible for the exploration accounting function. The role will include cash management and financial analysis and will require regular liaison with joint venture partners and technical personnel.

You will probably be a part-qualified accountant in your mid to late 20s with relevant experience, a clear understanding of the oil business and proven communication skills.

There are definite opportunities for career progression which will be strongly influenced by your enthusiasm and determination to succeed.

For a detailed and confidential discussion contact:

Paul Goodman, Consultant to the Company, on 01-387 5400
(or out of hours on 01-508 1057) or write to him at:
Financial Selection Services
Drayton House, Gordon Street, London WC1H 0AN

Group Finance Director

top level appointment

Surrey c£35-40,000 + generous share options

Our client is a highly successful and fast-expanding publicly-quoted industrial group of autonomous companies with exciting growth prospects both in the UK and overseas, particularly in North America. The entrepreneurial flair and strength of the Board is reflected by recent record profits and turnover forecast to reach £500 million within the next three years.

The emphasis in this new Board appointment will be to develop and maintain tight financial and treasury management controls and to assist the Group to achieve ambitious growth objectives through major acquisitions and the expansion of existing operations.

The requirement is for a high calibre executive who is currently heading-up the financial function in a substantial UK group, preferably operating internationally. Experience must include the operation of strong financial management and controls and the ability to deal at a high level with financial institutions.

This is a challenging appointment and will not suit those seeking a passive role.

Candidates should write in strict confidence enclosing a full CV and salary details quoting MCS/2010 to Milton Ives,
Executive Selection Division,
Price Waterhouse, Southwark Towers,
32 London Bridge Street,
London SE1 9SY.

Price Waterhouse
Business Needs Experts.

Young Accountant

c. £15,000

My clients are a £multi-million fmcg company with well developed computer based accounting systems.

Key tasks will be the evaluation of strategies and investment programmes, working closely with line management on the resolution of non-routine accounting problems as well as developing and implementing accounting policies.

Candidates should be qualified accountants in their mid 20's with at least 18 months post qualification experience which must include appraisal of capital projects, commercial awareness and a good knowledge of computer and accounting systems.

Location Bristol, there are excellent opportunities for personal development, good benefits, etc.

Please write – in confidence – to David Dodd ref. B. 17675.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
50 Queen Square, Bristol BS1 4LW.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

Newly Qualified Accountants

High-tech Communications

London
£15,000 + share option

Our client, the U.K.'s largest distributors within the telecommunications industry, is seeking an A.C.A. or A.C.M.A. for a key position based in their U.K. headquarters.

The company turnover is in excess of £10 million this year and plans to launch on the U.S.M. within three years. The newly-created vacancy is likely to gain Financial Controller status within twelve months and is perceived as a stepping stone to general management as the company continues to expand.

Applicants must be willing to take early responsibility and work demanding hours liaising closely with the Financial Director.

Please write or phone with brief details to:

Robert Walters Associates
Recruitment Consultants
54-62 Regent Street, London W1R 5PJ. Telephone: 01-734 0493

MANAGERS

Business Services Group

Thornton Baker is a leading chartered accountancy firm with close to 60 offices throughout the UK, and as wide a diversity of clients as locations.

We are now seeking to appoint two Managers within our Business Services Group, based in London. These are senior positions within this 50-strong group, and proven man-management abilities will be a considerable advantage to applicants.

Probably around 30 years of age, you should be qualified (ACA or ACCA) and able to deal with a varied portfolio of smaller but growth-oriented clients, providing audit, accountancy and financial advisory services. Ideally, you will already be working at manager level with extensive experience of working in a medium size firm, while having gained audit experience with a large international firm.

Prospects for professional advancement with Thornton Baker are excellent, as we always look for men and women with ultimate partnership potential.

We offer competitive salaries, reflecting your qualifications and experience, and a full range of large company benefits including car.

If you are ready to make a decisive move in your accountancy career, please write to Liz Richards, Personnel Manager, Thornton Baker, Fairfax House, Fulwood Place, London WC1V 6DW.

Thornton Baker Associates
A member of Grant Thornton International
Nobody gets closer to clients

Financial controller

N. London, up to £23,000 + car

C&L

Our client, the UK operating company of a major, American, high technology corporation, seeks to appoint an experienced financial executive to take overall responsibility for the financial and administrative functions of the company, with initial emphasis on upgrading existing financial information systems.

The requirement is for a graduate Chartered Accountant in his or her 30's with several years commercial experience in a sales/marketing environment, including at least three years in a management capacity.

Resumés, including a day time telephone number, to: M C Ward, Executive Selection Division, Ref: R404,

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

32 Farringdon Street
London EC4 4AQ

Management Consultancy is a skill all of its own. It is a valuable aid to decision making, not a substitute for management.

It is also a business area you may not have considered before, yet one which offers more genuine problem solving challenge and unlimited opportunity than almost anything else we can think of.

TACKLING THE PROBLEMS MOST PEOPLE CAN'T HANDLE.

THAT'S MANAGEMENT CONSULTANCY.

Our client, one of the fastest growing of the big firms has retained us in an advisory role with a brief to short-list only top calibre applicants.

London based, you will be encouraged to stretch your intellectual powers to the limit working with financial institutions, local and central government or manufacturing/construction industries, depending on your background. Your analytical solutions to problems, some of particular complexity, will take account of the economic and social factors involved and will necessitate qualities of impartial and objective judgement.

An open, 'jackets off' environment where the atmosphere is charged, bureaucracy is absent, and your colleagues are hungry further enhance the élitist appeal of the job.

So, if you're a mature and experienced qualified business executive, aged under 35, with a good first degree and appropriate professional qualification; the very first problem we ask you to solve is simply whether to contact us or not. We would strongly recommend that you do.

Kindly write (in strict confidence) with full cv/ earnings progression and outline why you think you're worth around £30,000 plus a car, to:
John L. Thompson,
Thompson Associates Ltd.,
232 Portland Road, London
SE25 4SL, quoting reference 1017.
Tel: 01-656 8323 (day).

Finance Director – Designate

International Manufacturing PLC

up to £30,000 + Car

Our client is a large, long-established manufacturing organisation, an international leader in its field. It supplies its customers through a world-wide network.

As part of management succession planning, a Finance Director-Designate is being recruited, to take over when the present job holder retires. As familiarity with the world-wide business is key to success, you will initially be appointed for a limited period as Finance Director of a major overseas subsidiary, before returning to the UK to a senior post prior to joining the main board, probably in about 3 years time. The Finance Director role involves substantial world-wide travel from a Southern Home Counties base and represents a chance to play a key role in the future development of a successful business.

Probably in your mid thirties, you must be a chartered accountant and have substantial experience in a manufacturing organisation with computerised accounting systems, preferably involving international operations.

Benefits are those associated with an appointment of this seniority.

Please write – in confidence – with full details to B. G. Woodrow ref. B.73290.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

FINANCIAL DIRECTOR

DESIGNATE

LONDON COMPUTER GAMES

The United Kingdom's most successful computer games company exporting world-wide, wishes to appoint a Financial Director to work closely with the Managing Director and to play an important role in the development of the company both in the U.K. and throughout the world.

Candidates should be qualified accountants who can demonstrate a successful career to date in financial management together with a high degree of business acumen.

Experience in computer management will be an advantage. Age is not relevant.

An appropriately attractive salary package will be offered.

Written applications enclosing detailed C.V. should be sent, in strictest confidence, to:—

Managing Director,
MASTERTRONIC LTD.,
Park Lorne, 111 Park Road, London, NW8 7JL.

Accountancy Appointments

Innovative International Tax Expert
A Challenge for Entrepreneurs

Creativity and the ability to make an individual contribution characterises the people you will work with at this highly successful and forward thinking corporate finance unit of a London based merchant bank. Operating on a truly international scale this subsidiary of one of the world's leading US banks is well placed to take advantage of future changes both in the UK and abroad.

Established as a market leader it provides a wide range of merchant and investment banking services to an impressive number of global corporations. During the last year the merchant bank has developed its taxed based product line and to progress this expansion now needs to recruit a further international tax specialist.

You will be encouraged to operate independently giving full vent to your entrepreneurial talents. Reporting to the Head of Tax Based Financing your main tasks will be to design and sell tax efficient products to international corporations. An important aspect of your job will be to identify new business opportunities and interface with relationship managers in the corporate bank.

In your 30's you are a qualified accountant or lawyer with a reputation for creativity and initiative. You have an excellent grounding in tax and for the last few years have focused on solving international tax problems in a multi national environment. Highly successful and profit conscious you are a good communicator and are seeking the chance to fully realise your potential.

There will be some travel mainly to Europe and the US. Excellent opportunities exist to advance your career in this expanding and dynamic merchant bank. Remuneration is entirely negotiable and will include a competitive salary, bonus, subsidised mortgage, company car and non contributory pension scheme.

Please phone or write in complete confidence to Barbara Lord, Senior Consultant, Cripps, Sears & Assoc. Ltd., 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701.

Cripps, Sears

Financial Controller

Nottingham **c£22,500 + car**

Our client is a leading UK distributor of agricultural machinery and equipment with a number of trading outlets. A new phase of expansion has now created an exceptional opportunity for a Group Financial Controller at Corporate headquarters.

Reporting directly to the Group Managing Director, this role entails substantial systems development as well as complete control of all financial and administrative functions within the group.

Unlikely to be aged under 40, you will be a qualified accountant and must have:

- ★ Diverse and extensive accounting experience, ideally gained within a distribution or service-related environment.
- ★ Strong personal drive, self motivation and commitment.
- ★ Well developed interpersonal skills and proven business acumen.

Applicants capable of meeting these exacting requirements will be offered an excellent salary and benefits package to include a fully expensed company car.

Interested candidates should write to Nigel Hopkins FCA, Executive Division, enclosing a comprehensive c.v., quoting ref. 259, at 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

HERON

Special Project Controller

London **c£27,500 + car**

Heron International plc is one of the UK's largest privately owned groups with diverse interests in trade, financial services and property throughout the UK, USA and Europe. An entrepreneurial management philosophy and strong asset base form the basis for their ambitious future expansion.

Extensive internal restructuring has created an opportunity for a highly motivated accountant to undertake a vital project role based at the group's corporate headquarters. Reporting to the Finance Director, and working closely with key senior management, this one-to-two year assignment will take total responsibility for the evaluation and development of financial management information systems throughout the organisation.

Candidates, aged late 20's/early 30's will be qualified accountants (ideally MBA's) with relevant experience gained in a large company environment. The ability to liaise with all disciplines within the group and communicate effectively at board level are essential requirements.

For applicants with the potential to succeed in a young, high profile organisation, the scope for career progression is unlimited both at head office and operational level.

Applicants should write to Philip Cartwright ACMA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref. 258, at 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

Financial Controller

Growth Opportunity In High Technology

Off M3 Motorway

c. £20,000 + Car

The underlying strength of the microcomputer market continues unabated but today only those companies which can satisfy the demands of more discerning business equipment buyers will reap the rewards. Our client intends to be one of these companies.

Formed only three years ago it is already well established as a distributor of this equipment. Its long-term strategy is geared to becoming a market leader.

Its range of products includes most of the top name manufacturers and its policy is to provide the fullest pre and post sales support to meet clients' needs.

Stringent financial control will however be critical to the company's successful growth. They therefore wish to appoint an enthusiastic and able Financial Controller to be responsible to the Managing Director for all financial and administrative aspects of the business.

Applicants must be Qualified Accountants, ideally aged around 27-30, with sound business acumen and at least two years commercial experience, involving budgetary control and computer based systems.

An attractive remuneration package will be offered and there are excellent prospects of a Board appointment in the short term.

Please send concise details, including current salary and daytime telephone number, quoting reference F2011, to W.S. Gilliland, Executive Selection Division,

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

Management Training
Morgan Stanley International

London Subsidiary of Leading Wall Street Investment Banking Firm Controllers Department

CAREER DEVELOPMENT PROGRAMME FOR OUTSTANDING UNIVERSITY GRADUATES

We are searching for a select few who have the intelligence, discipline and initiative to dedicate all of their skills and energy to pursuing a unique career in the international securities industry.

The role of the Controllers' Department is to provide timely and accurate information for monitoring the firm's financial performance and making important business decisions. The department is organised into business unit controllerships which maintain close, daily contact with each of the firm's major trading areas.

OUR PROGRAMME OFFERS:

- An outstanding compensation programme. We offer a starting salary significantly above that which most graduates can obtain in other entry level positions. Thereafter we reward staff strictly according to performance and their ability to take on increasingly complex responsibilities.
- A means of establishing a high growth career in a challenging industry. We offer a significant amount of training in both accounting and in the securities industry, plus the ability to work with exceptionally talented securities industry and accounting professionals.
- The objective of the three year training programme is to produce professionals who not only have practical accounting skills, but also know how to use accounting as a tool to approach business problems.

REQUIREMENTS:

Individuals selected for this programme will have recently earned an excellent university degree and performed with distinction during their academic careers.

Analytic and numerate skills are essential. We require your curriculum vitae and a cover letter in which you develop your qualifications to enter this programme. In addition to presenting your objectives and accomplishments, please provide us with complete details of your academic qualifications.

Please write to:
Mrs Mary Wood, Morgan Stanley International
Commercial Union Building, 1 Undershaft, Leadenhall Street, London EC3

CHARTERED ACCOUNTANT

SALARY C. £22000 p.a.

An expanding export finance house with capital funds in excess of £25m and a member of the Exco Group of Companies seeks a recently qualified chartered accountant, preferably with bank auditing experience, for a new and challenging position.

The excellent remuneration package will appeal to those who consider themselves to be in the upper quartile of their profession.

Please reply in confidence,
enclosing a CV, to
Mr. J. A. G. Wilson,
CHIEF EXECUTIVE
London Forfaiting Company Limited,
International House,
1 St Katharine's Way,
London E1 9UN.

c£14K PACKAGE

Investment Accountant

ANDOVER

The TSB Trust Company is the Insurance and Investment arm of the TSB Group. We have a highly successful portfolio of Unit Trust, General and Life Insurance products and have expanded very quickly over our short history. At our headquarters in Andover we employ approximately 850 staff (plus a Sales Force of 380) and have £1bn funds under control.

As part of our Investment operations we have a range of unitised funds linked to our Life Fund and Pension Company. The value of the funds' investments has already reached £180m and they are expanding rapidly.

As a result of promotion, we wish to recruit an Investment Accountant to take charge of the Section within our Investment Accounting Department, responsible for the accounting of our internal funds. Key responsibilities will include investment accounting and control, accounting systems, reporting and annual accounts. The post will also involve liaison with Property and other Investment Managers, Stockbrokers etc.

For this demanding post we are ideally looking for a qualified accountant with experience in a similar role with another Insurance/Financial Services Company. Consideration will be given to part qualified candidates who would need to demonstrate several years' experience of Investment and Property Accounting routines.

In return we offer in the region of a £14K package which includes a mortgage subsidy scheme, bonuses, non-contributory pension scheme and full relocation expenses where appropriate.

Please telephone or write for an application form to Bill Brewer, Personnel Department on Andover (0264) 58740, TSB Trust Company Ltd., Keens House, Andover, Hants SP10 1PG.

TSB
TRUST COMPANY

Accountant
(Payments)

Oil Industry **c. £16,000 p.a.**

We are a successful oil service company with the responsibility of servicing the needs of our many clients who comprise the majority of leading Libyan oil concerns. We now have a vacancy for an Accountant to be based at our Central London offices.

The person appointed, reporting to the Chief Accountant, will be required to ensure that approved suppliers invoices are paid in accordance with company policy. This will involve purchase ledger control, funds management, letters of credit/guarantee and computer liaison.

To apply, you should preferably hold associate membership of ICA, ICMA or ICCA and have spent at least five years at senior accounts level of which at least two years have been in a Management Post. You must also have a knowledge of computerised accounting and have experience of supervising other staff.

We are offering an excellent salary package as well as a superb working environment.

Please send comprehensive c.v. together with daytime telephone number to:
J. Black, Personnel Co-ordinator, Umm Al Jawaby Oil Service Co. Ltd., 33 Cavendish Square, London W1M 9HF.

JAWABY OIL SERVICE

MAINTENANCE AND BUILDING WORKS DEPARTMENT
Applications are invited from persons who are prepared to accept a challenge for a post of

FINANCE OFFICER
£18,750-£19,875

In the newly created Maintenance and Building Works Department. The Authority is totally committed to its Direct Labour Organisation, which has responsibilities for the maintenance of its dwellings. As part of the management structure of the Department, two new posts have been created with responsibilities for maintenance and finance respectively.

The Finance Officer will be responsible to the Director for the provision of an efficient finance, budgetary control and costing service for the Department, having regard particularly to the provision of the Local Government Planning and Land Act, 1980. With the increase in importance of commercialism in local authorities there is a need to employ either a young qualified accountant or someone with wide relevant experience at senior level in either the Public or the Private Sector.

Removal expenses to a maximum of £1,250 and temporary lodging allowance will be paid in appropriate cases.

Application forms, returnable by 17th June, 1985, and further details may be obtained from:

The Director of Personnel and Management Services, PO Box 88 Municipal Buildings, Dale Street, Liverpool L69 2DH
Tel: (051-227 3911 Ext 706).

LIVERPOOL
a Socialist Council

The City Council is an Equal Opportunity Employer and welcomes applications irrespective of race, sex, marital status or disability

Newly-qualified?
THE CHALLENGE OF MANAGEMENT ACCOUNTING WITH AN INDUSTRY LEADER

PolyGram Record Operations is part of the world-famous multi-million pound PolyGram Leisure Group, manufacturing and distributing a best-selling range of records and pre-recorded tapes on labels which are established household names.

We now wish to appoint to our Manufacturing Plant at Walthamstow a young newly-qualified Accountant, who, working closely with our Management Accountant, at the head of a staff of 10 people, will take special responsibility for the day-to-day allocation and control of the team's work load and will assist with the preparation of budgets, statutory accounts and ad hoc projects. It is therefore essential that the quality of your technical expertise is complemented by strong interpersonal skills, while a background in manufacturing will obviously be the most pertinent.

The remuneration package features a starting salary c. £11,500 and the full range of benefits you would expect from a major international organisation of our standing.

For more information, please forward a copy of your CV to:
J. Lawrence, Assistant Personnel Manager,
PolyGram Record Operations Limited,
Record Works, Walthamstow Avenue,
London E4 8SZ. Telephone: 01-527 2300.

polyGram

Accountancy Appointments

FINANCIAL DIRECTOR

Preparing for Public Flotation **Valuable Share Option**

The company comprises an independent group of profit centres manufacturing sophisticated products for the aerospace, defence and civil manufacturing industries. It has a history of profits and is now preparing for a public flotation in a few years. The company has funding from major institutional investors. Location: West Country.

You would be joining at a crucial stage in the company's development and your task would be key to its success. You would have to manage rigorous financial and budgeting control. You would be involved in tendering *procedures and also participate in the strategy of the company to prepare* it for flotation. It is a full group financial director's role in a medium size company.

You need to be a CA under 45 whose experience has included responsibility for the financial management of a sophisticated manufacturing unit. A salary of c£25,000 will be offered with a car. A share allocation will be made prior to flotation. Relocation costs will be met.

Your name will not be released until we have briefed you and you have given your consent. *Please write to me*, Terence Hart Dyke, Consultant to the Company.

Business Development Consultants (International) Ltd
63 Mansell Street London E1 8AN

BDC

Corporate Financial Services

London
£20-25,000+car

Cable and Wireless is a profitable and *growing* force in the world telecommunications market *with a clear commitment to technological* excellence.

To reinforce its search for still further opportunities it has established a small team, within the central finance function, to provide specialist advice to the Group and its operating companies. Tasks will include acquisition proposals, capital structure and funding strategies, and ad hoc financial studies.

The need is for a graduate Accountant, aged 26-30, with recent experience of Corporate finance, perhaps gained with an international accounting firm, a City Organisation or a major corporation. Qualities will include professionalism, a persuasive and diplomatic personality, good *communication skills and the ability to work with* all levels of management. Overseas travel is likely to be required.

Please reply to Martin Manning, in strict confidence, with details of age, career and salary progression, education and qualifications, quoting reference 1470/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

INTERNATIONAL GROUP OF COMPANIES

Seek fully qualified Chartered Accountant to supervise the running of their London Head Office and prepare monthly and quarterly accounts. This is a responsible position reporting directly to the Chairman and Managing Director. Salary negotiable, according to experience.

Write Box A9018, Financial Times, 10 Cannon Street London EC4 P4BY

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

Rate £37.00 per single column centimetre

Plus V.A.T.

Finance Director
Designate

London ***c£26,000+car; profit share etc***

United City Merchants PLC is a well estahlished and profitable international trading and financial services group. Due to retirement there is a need to appoint a dynamic and commercially orientated professional to the position of Finance Director, UCM Timber PLC which is one of the largest timber import agencies in the UK.

Working closely with the Managing Director, UCM Timber PLC to whom the successful applicant will report, he/she will be responsible for all financial aspects of the business and participate *in the development and implementation* of present and future business plans.

Suitable applicants will be those aged 27—45, Chartered Accountants with at least 5 years in a senior financial appointment preferably from within an expanding environment. In addition they must possess a keen intellect and marked leadership qualities with personality commitment and ambition in order to contribute to the continuing success of tha company.

In addition to salary and full benefits there are realistic opportunities to progress within the Group. A designatory period of not more than 6 months will apply although this condition may be waived dependent upon the suitability of the successful candidate.

Candidates should apply in confidence enclosing a full cv including present salary and *quoting reference MCS/7163 to*
Michael R. Andrews,
Executive Selection Division,
Price Waterhouse, Southwark Towers,
32 London Bridge Street,
London SE1 9SY.

Price Waterhouse
Business Needs Experts.

Financial Analysis and Management in a high-growth, high-technology environment

Data General is one of the world's foremost names in the minicomputer business and has expanded consistently and dramatically throughout the last decade to achieve a current annual turnover in excess of one billion dollars. The company's commercial success has been achieved through the introduction of innovative new high-performance products to meet market demands plus a commitment to first-class financial and business management.

As a direct result of the expansion of our customer base in the UK, we now need several key finance professionals who have the ability to contribute to our business success:

FINANCIAL MANAGER

You will be the financial *specialist* working closely with the first-line Customer Service management team. Our post-sales business is a *critical area and its effective management* directly determines both customer satisfaction and field productivity which are key to the *profitability of the total company.*

Our need is for a qualified accountant (preferably ACMA) who has good experience of budgeting, forecasting and costing as well as a high degree of commercial acumen. Good communicative and personal skills are essential in this dynamic and fast-moving environment, but primarily your business skills and financial professionalism will be crucial to your success in this highly-visible role.

FINANCIAL ANALYSTS (SENIOR)

The two most visible functions within Data General (Sales/Marketing and Customer Service) each need a Senior Financial Analyst to provide the respective management teams with *information and financial support. This will* involve contributing to the development of budgets and forecasts and analysing financial *data to compare actual performance against* budget.

We are looking for qualified Accountants *who have the ambition to take on early* responsibility and make a valuable contribution to a high-growth and demanding business.

Salaries will be negotiable up to £15,000 pa, plus the comprehensive range of benefits you *would expect from a profitable, successful,* international company. Future career prospects are genuinely outstanding, both in the UK and internationally.

Please telephone or write to:
Gina Richards, Data General Limited,
Hounslow House, 724-734 London Road,
Hounslow, Middlesex TW3 1PD.
Tel: 01-572 7455.

Data General
a Generation ahead

FINANCE DIRECTOR

£20-25,000 **+ bonus, car and other benefits** **Reading**

The Company A long-established private company with a successful record in retailing, operating a chain of shops in Southern England. A strong asset-based company which is now actively pursuing a programme of expansion.

The Job Reporting to the Chief Executive, the main *responsibilities* are: to take charge of all financial and Secretarial functions; to develop and implement a corporate plan; to manage the company's assets including its property; to contribute to the general management of the business and its development.

Candidates Qualified accountants, preferably chartered, probably aged 30-40, with *management* experience in a substantial organisation and familiar with the application of computers to business. Some knowledge of retailing would be useful. In addition to leadership *and technical skills, the company* is *looking* for particular personal qualities: business flair and ambition, presence, sensitivity in relationships and a commitment to the practice of Christian *ethics* in *business*. Applicants of any racial group may apply.

Please apply to Sir Timothy Hoare, Chichester House, Chichester Rents. London WC2A 1EG. Tel: 01-242 5775

Career plan LIMITED
PERSONNEL CONSULTANTS

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

Divisional Accountant
London
c£16,000+Car

A major trading division of one of the country's leading housebuilders has three distinct Regional areas of operation. Following reorganisation they now require a young qualified accountant to be based in West London who will control and supervise the divisional accounting function.

Closely involved with the installation and development of micro computer based systems, you will be responsible for the production and review of financial, management and board reports; quarterly profit and cash forecasts, annual budgets, land purchase appraisals using DCF techniques and the control and reporting of cash flow movements.

Probably aged 26/32, you will be a qualified Accountant with sound accounting skills and relevant experience gained ideally in property development, housebuilding or similar spheres.

With a mature but outgoing personality, you must have management ability and a flair for communicaton with operational managers and staff at all levels.

Please telephone or write quoting reference BH 713 to: Mann Management, 160 New Bond Street, London W1Y 0HR. Telephone: 01-629 4226.

MANN
MANAGEMENT

Group financial controller

W. Surrey, to £19,000

C&L

Our client, an international market leader in its specialist field of engineering contracting with a turnover in axcess of £40m and part of a major British engineering group, seeks to appoint a Financial Controller to replace the current *jobholder who is being promoted within the parent group. Reporting to the* Financial Director you will be directly responsible for the financial management and accounting *functions in the UK companies, with a co-ordinating rola in respect* of a number of overseas subsidiaries.

The successful candidate ia likely to be a Chartared Accountant in his early 30's *with several years post-qualification experience* in a *strongly commercial* environment who is now saeking his first controllership, or altemativaly, an experianced financial manager in a *smaller* company who is attracted by the long term career possibilities of working within a larger organisation.

Please write, enclosing a c.v., to M C Ward, Executive Selection Division, Ref: 406,

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

32 Farringdon Street
London EC4 4AQ

Hoggett Bowers
Executive Search and Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Chief Accountant

Devon, ***Circa £14,500 plus fully expensed car***

This is a key position within a £25M turnover subsidiary of a national engineering group. Following re-structuring and very substantial investment, the company now has all the facilities to exploit its markets.

Candidates, preferably qualified, must have a computer based management accounting background in an engineering industry involving contracting, project accounting, batch costing, estimating etc.

The objective is to get involved in the total business and complement tha new production facilities by establishing improved systems for productivity and profitability. Shopfloor involvement is also essential and personal abilities of persistence, persuasiveness and a desire to develop working relationships are paramount.

The company is situated in a very attractive area with many recreational amenities and an excellent relocation package is available.

J.H.E. Davies, Ref: 37410/FT. Male or female candidates should telephone in confidence for a Personal History Form **0222 700633**, 3a Hickman Road, Penarth, **CARDIFF, CF6 2AJ.**

Group Accountant

Wa saek a young Chartered Accountant to develop and run the diversa accounting arrangemants of a small, well-established and growing financial services group. Experience of stockbroking audits is essential, and of banking audits helpful. The candidata should ba ambitious but tactful, and abla to integrate well with a small management team. It is likely that tha successful candidate will ba *drawn from a company in a similar field or direct from* an accounting firm. Salary depends on qualifications and experience, and prospects are excellant.

Please write with datailed cv to:

Box A9004, Financial Times, Bracken Housa, 10 Connon Streat, London EC4P 4BY

CHIEF ACCOUNTANT

LONDON W1 **£15,000+**

Expanding private Textile Company with manufacturing and distribution centres in Scotland offers an excellent opportunity in its Head Office.

Candidates should be qualified Accountants with two to three years' experience in a manufacturing/commercial environment.

Experience of computer system is essential as the company is in the process of computerising.

The successful candidate will play an important role in the development of management information systems, budgeting and assist the Company in its expansion plans.

Please apply with full c.v. to Box A9022
Financial Times, 10 Cannon Street, London EC4P 4BY

International Appointments

Company Notices

Businesses for Sale

Terry Dodsworth in New York on the background to the rapid progress of DBL in U.S. investment banking

Drexel Burnham rides the wave of 'junk' bond sales

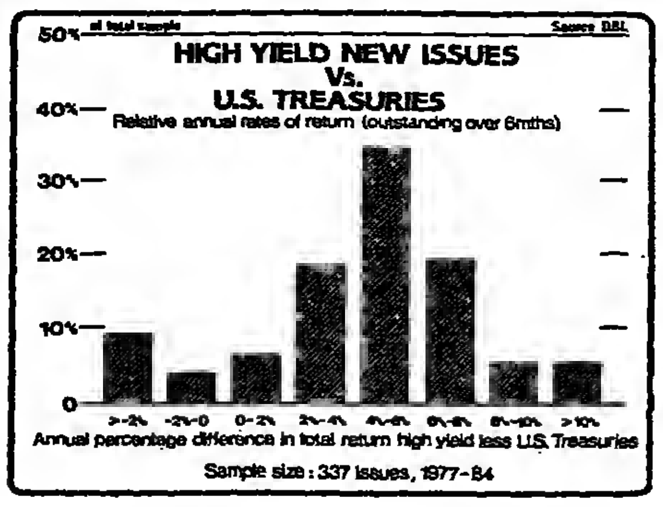
THE PERFORMANCE of U.S. investment banks is intrinsically volatile, but one of last year's statistics was unusual even by Wall Street standards. It showed that Drexel Burnham Lambert, the company in which Compagnie Bruxelles Lambert of Belgium has a 28 per cent stake, had catapulted from number six in the securities underwriting tables to number two, ranking second only to the giant Salomon Brothers.

Behind the figures lies a story of growth to match anything that the New York investment banking community can offer. Only nine years ago, just after Wall Street was plunged into upheaval by the abolition of fixed commissions, the present constituents of DBL came together with a capital of only $67m. Since then, it has transformed itself into the sixth or seventh largest group in the securities industry, with a capital base of $725m, also becoming one of the two largest of the privately-owned firms, second only to Goldman Sachs.

But there is another side to the group's rapid progress. The recent surge in DBL's activity, and particularly its jet propelled progress up the underwriting tables, *has been fuelled* by its role in the controversial business of "junk" bonds. It was the first investment bank to seize on the possibilities of junk bond financing in the late 1970s. Since then, it has developed the market aggressively, establishing a dominant position—last year it was sole or lead manager for over 70 per cent of new issues of high yield U.S. debt. It has also grasped the chance to use junk bonds as a leading financing instrument in the merger boom of the last two years.

DBL is sneakily admired and widely criticised for its role in promoting "junk"—high yielding, low-priced paper from companies that cannot attract the

Mr Robert Linton: architect of expansion



Mr Frederick Joseph: coy about future

best quality investment ratings. The criticism has undoubtedly hurt. Senior executives have spent a great deal of time down in Washington recently trying to deflect criticism of the activity, and it is said that the company remonstrated bitterly with a senior banker in one of the more aristocratic Wall Street houses, after he had publicly lambasted the "junk" finance market.

Yet Wall Street has also *flattered* DBL with imitation. Today, 17 of the leading 21 U.S. investment banks have established their *own* junk *bond* departments, including, recently, Morgan Stanley, a name which is virtually synonymous with traditional standards. "There are benefits *for us* in having this increased competition," says *Mr* Robert Linton, chairman. "It adds credence to the market to have others in it and *making* a secondary market in the bonds. Lack of liquidity has been one of the problems *for us*."

Mr Linton, 60, who became chairman and chief executive in 1977, is generally regarded as the main architect of DBL's expansion. By the *time* he took over, the company had largely taken its present form, following a series of mergers. In the process of growth, DBL has prospered, he says, by achieving a reasonable balance between a broad spread of activities, *from* retail and institutional broking, to market making municipal finance and commodity trading

The junk bond activity grew out of the realisation that there were a lot of U.S. companies which found it difficult to raise debt, but were not necessarily dangerous credit risks. Junk *is a clearly pejorative term*, which related originally to highly-rated bonds that had made humiliating progress to the scrap heap, along with their corporate issuers. DBL started from the other end of the equation by saying that there were many companies that could never qualify for "investment grade" ratings, but were not on the scrap heap either.

These corporate issuers are *companies starting* at the bottom of the Fortune 500 list and going on down to about the 1500 level in the rankings of the largest U.S. companies. Businesses of their size typically do not attract the "investment grade" classification *of* the rating agencies (anything above BBB at Standard and Poor's and over BAA at Moody's), so their paper inevitably has to be priced *for* a higher *yield: many* large U.S. institutions are prohibited from investing in non-investment grade paper, thus creating an underlying demand for the higher quality bonds.

In support of its high yield bonds, DBL argues that the reasonable credit risk of the majority of corporate issuers was shown by their ability to ride the last severe recession of 1981-82, without an undue *level* of default. DBL also points to the need for finance. It calculates that there are about $60bn worth of straight industrial and finance junk bonds in the U.S. market today, or about 14 per cent of the total corporate bond sector of $425bn, suggesting that many corporate treasurers have found they are taking reasonable risks with these issues. And junk bonds financing for takeovers, it says, accounts for only about 4 per cent of the total — although there has been a clear surge in this element in the last two years.

Where does DBL go from here? Mr Frederick Joseph, who has just taken over the chief executive title from Mr Linton is extremely coy about future direction, on the grounds that it is foolish to signal your strategy to competitors. Nevertheless, the company has given *a few clues over the past couple* of months.

First, the appointment of Mr Joseph is clearly meant to signal action on the succession to Mr Linton. The change may not mean much in terms of operating style, because Mr Linton remains as chairman, and both men insist that DBL's "coffee committee," the informal morning meeting of top executives which co-ordinates management thinking, will remain. But it hands down the mantle to the company's top corporate finance man with a record of innovation. It was Mr Joseph, along with DBL's leading bond trader, Mr Michael Milken (reportedly the best-paid trader in the U.S.), who was behind the drive into high yield bonds.

Second, there seems to be no intention, or need, for DBL to go public at present. The company has chosen so far to avoid the capital intensive sector of the securities business, such as massive securities trading a la Salomon Brothers, and sees no need to diverify into these areas at present. At the same time, says Mr Linton, the system of capital sharing incentives available in a private concern is a "powerful weapon" in attracting and keeping top class staff.

With the *frenzied* activity in junk bond-financed take-overs now under pressure, it will be up to Mr Joseph to find an alternative use for the corporate finance department's talents. He himself has no doubt that the defeat of Mr T. Boone Pickens's take-over bid *for* Unocal, which was backed by DBL, means that similar take-over activity will slow.

One area the bank has a particular eye on, he says, is the UK corporate bond market—or *rather the lack of it*. He attributes the reluctance of British finance directors to issue debt as a rather bizarre sign of embarrassment over raising long-term money at present rates. The mysteries of the Bank of England's infamous queue seem to bother him not at all.

Personal

CLASSIFIED ADVERTISEMENT RATES

	Per line (min. 3 lines) £	Single column cm (min. 3 cms) £
Commercial & Industrial Property	10.50	35.50
Residential Property	8.00	27.00
Appointments	11.00	37.00
Business, Investment Opportunities	10.50	35.50
Wanted	10.50	35.50
Personal	8.00	27.00
Motor Cars	8.00	27.00
Hotels & Travel	8.00	27.00
Contracts & Tenders	10.50	35.50
Book Publishers	— net	17.50

Premium positions available £7.00 per single column cm extra

For further details write to:

Classified Advertisement Manager

Financial Times

10, Cannon Street, EC4P 4BY

Company Notices

U.S. $50,000,000
Hydro Quebec 9½%
Debentures Series DI
due 1st July 1978/93

Debentures covering US$1,200,000 have been purchased on the market to satisfy the Purchase Fund due 1st July 1978/93.

LEUMI INTERNATIONAL INVESTMENTS N.V.

U.S.$60 MILLION GUARANTEED FLOATING RATE NOTES 1989 EXTENDIBLE AT THE HOLDER'S OPTION TO 1992 (2nd ISSUE)

The interest rate applicable to the above Notes in respect of the six month period commencing Thursday, 30th May 1985 has been fixed at 8⅝% per annum.

The interest amounting to U.S.$42.89 per U.S.$1,000 principal amount of the Notes will be paid on Friday 29th November 1985 against presentation of Coupon No. 6.

BANK LEUMI TRUST COMPANY OF NEW YORK
Principal Paying Agent

QUEBEC CENTRAL RAILWAY COMPANY

4% FIRST MORTGAGE DEBENTURE STOCK

In preparation for the payment of the half-yearly interest due August 1 1985 on the above Stock, the Transfer Books will be closed at 3.30 p.m. on July 5 and will be reopened on July 9 1985.

W. E. REEVE
Assistant Secretary

50 Finsbury Square,
London, EC2A 1DO.
May 30 1985.

Art Galleries

THE ALPINE GALLERY, 74 South Audley Street, W1. 01-529 2280. JAMES RENNY first London Exhibition of Scottish Wildlife Paintings, presented by McEwan Gallery of Ballater. 28th May-1st June. 2-6 p.m. 26th. 10-6 p.m. 29th-1st.

BROWSE & DARBY, 19 Cork Street, London W1. 734 7984. ANTHONY EYTON. New Paintings.

PARKIN GALLERY, 11 Motcomb Street, London SW1. Tel: 01-235 8144. CECIL BEATON and FRIENDS.

RICHARD GREEN, 4 New Bond Street, W1. 493 3939. 19th & 20th CENTURY FRENCH PAINTINGS. Daily 10-6. Sats 10-12.30.

Clubs

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189 Regent St. 01-734 0557.

MANAGEMENT: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

Muscle for marketeers

Feona McEwan on customer profiling systems

WHEN computerspeak meets marketing-talk the results can be a trifle taxing. Pity the poor client—or journalist—as he grapples with the latest load of sales rapping from a young computer company explaining its important advances—in this case in the direct marketing field—on "converting data into actionable information."

"A 'geodemographic' classifier, whether ACORN or PiN, is derived from addresses of consumers. . . . If these addresses are wrongly allocated to an ACORN or PiN type then the profile is wrong . . . a 'fuzzy" profile will lead to a targeting discriminator that falls very short of optimising its discrimination — its targeting power."

Throw in "enumeration district centroids," "digitising of postal code boundaries" and "principal component analysis of census variables" and the fog becomes positively dense. If this is direct marketing, albeit at its most sophisticated end, it sounds like it is becoming a lot less direct, to its practitioners at least.

This week a new consumer target marketing system is launched called PiN (which stands for Pinpoint Identified Neighbourhoods) and for all its language burdles, this highly sophisticated electronic census-based technique looks like being an important advance. Put in simple English, PiN promises to identify and locate a company's potential customers in a more discerning and accurate way, according to its developers, than *anything currently available*.

The implications of PiN, brainchild of the two-year-old UK-based computer company Pinpoint, if its claims and confidence are vindicated, will be to beef up a marketer's targeting muscle. By pinpointing prime audiences for a company's message or action, the idea is to minimise wastage and maximise cost-efficiency. This will mollify advertisers, who find direct mail not always able to compete efficiently with other media nationally, as well as retailers (which use the system to locate new sites, for instance).

So how does Pinpoint pinpoint customers? It's all done by computers, of course. They translate the raw ingredients of census data and postal codes (by way of the ordnance survey grid references) into a revealing map of any given neighbourhood complete with a profile of the inhabitants.

Add to this a company's own customer database (list of addresses, for instance) and Pinpoint can locate them geographically and then find more of the same; or it can compute th geographical distance between consumers and, say, a retail store or hospital or garage; or it can compare proximities of rival companies; or it can analyse distribution of customers for scheduling routes and planning distribution.

What census figures reveal is the age, sex, employment, home/car ownership, housing/family size, social class and occupation of every adult in the UK. These are broken down into the smallest possible areas known as enumeration dis- (EDs).

Data is not released on an *individual* basis to protect personal privacy.

Each ED averages 150 households and the total of 130,000 EDs in the UK forms the "building blocks" for the Pinpoint system.

There are 1.5m postcodes in the UK, each one averaging 15 households.

Census-based market analysis is nothing new. The best known and most widely-used system is ACORN (which stands for A Classification of Residential Neighbourhoods) which set the pace back in the mid-1970s. ACORN works by segmenting the country street by street into 11 housing groups divided into 38 different sociodemographic types.

For instance, J36 refers to affluent detached housing in exclusive suburbs and is, not surprisingly, the direct marketeers favourite on account of the occupants' disposable income.

Founded by researcher Richard Webber and developed by U.S.-based computer services company CACI, it has come to supercede in many instances the socioeconomic dfinitions of old.

An off-licence chain, for example, might use ACORN to identify different consumer groups in order to address or service them appropriately. Residents in a depressed council estate are more likely to buy beer/tobacco/confectionery products than those in an exclusive home-owned region who would tend to favour spirits and wines.

Used in combination with the Target Croup Index (a survey of product purchasing patterns defined by factors such as age, sex, socioeconomic grouping) it then becomes possible to assess who in areas embracing as little as 150 households travels abroad most, reads the Financial Times, drinks wine, and eats yoghurt.

Main users of the ACORN system have traditionally been the mail order giants such as Great Universal Stores, Empire stores and Grattans; financial organisations which hold addresses on all account holders; gas and electricity companies and TV rental companies; retailers (Debenhams, House of Fraser) which operat credit cards; motor appliance and furniture manufacturers which retain addresses for guarantee purposes, charities and political parties.

Where ACORN'a computer maps are able to define postal SW18 or SE1) of which there are 120 and 2,700 in the UK respectively, Pinpoint focuses even more finely on individual postal *sectors* such as SW18 5 or SE1 8—there are 8,900 of these in the UK representing 2,500 households. It uses 104 census variables to allow for more specific "discriminators,' as it calls them.

Where ACORN was launched initially as a means of defining areas of social deprivation, Pinpoint has launched itself straight at the marketing community. Users to date include retailers, banks, building societies, mail order companies, health insurance, travel, as well as central and local government and the Sports Council. "Anyone," says founder Gurmukh Singh, "with a large customer file."

One of the earliest users has been Grattan, the mail order group, which also uses ACORN to locate its target group of customers (primarily 24 to 35 year old families with young children). "It's similar to ACORN but gives a greater discrimination, enables you more accurately to pinpoint potential customers," says John Whitmarsh, computer and warehouse director, "although there will be another six months of tests before we can know the full extent of its function. But we're already finding a higher response to our mailings in certain areas."

Accuracy is Pinpoint's trump card—"we now believe that we have the most accurate data and system around," says Singh confidently. Behind his claim lies a revelation that could turn out to be the company's most important contribution to the target marketing business.

When it came to compute the geographical boundaries of the country, Pinpoint exposed major inconsistencies. It found the problem twofold—many of the ordnance survey grid references of post codes were found to fall in the wrong post code sector; and when it drew the computer boundary maps of EDs it found a large number of ED points (centroids) fell outside the relevant boundary. On average, 55 per cent of these were wrong in the GLC area, which could have had serious implications for direct mailers. In Camden, for example, almost 70 per cent of EDs within the borough had no ED point at all which means that some neighbourhoods were falling through the marketeer's net.

"At first we thought it must be our mistake," says Singh. "So we spent a long time checking and cross-checking the software. Now we know even more than the census collectors do."

Italian agency

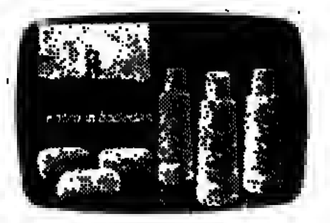
Riding high on a television boom

Alan Friedman, in Milan, reports on the mass marketing strategy of Robert Lasagna

HE USED to sell toothpaste in Glasgow. But for Robert Lasagna, an Anglo-Italian whose MVL Partners advertising agency is rapidly climbing through the ranks of Italian companies, that was a long time ago—1955 to be precise.

Today Lasagna has a Milan-based agency which has not only gone from zero billings to nearly Lire 40bn (£16m) in six years, but which is the target of at least two international agencies seeking to bolster their position in the Italian market through a merger or acquisition.

Lasagna's strategy—to focus almost exclusively on the mass marketing of low-cost and high volume consumer goods through television advertising—has coincided with more than a little good fortune. Italian television has been revolutionised over the past few years by



the enormous success of Silvio Berlusconi's commercial television empire, which has overtaken the state television networks in terms of annual advertising. At the same time, and in part thanks to the growth of television in Italy, the Italian retail market has been changing, from the small "Mama and Pappa" shop format to a much bigger mass market increasingly reliant on supermarkets and hypermarkets.

Lasagna and his two creative partners at MVL (Mauro Mazzon and Silvana Vercelli) have been riding on the back of the boom in Italian commercial television, which last year saw a 76 per cent jump in corporate spending on advertising, to Lire 2,597bn (£1bn) (Nielsen estimates). That figure for commercial television represents more than three quarters of total television advertising expenditure by Italian companies.

As a result of the Lasagna strategy, MVL is set to move from being the 28th largest company in terms of billings for 1984, with Lire 26bn, to a spot close to 21 or 22 this year. And if merger talks come to fruition, MVL could be catapulted this year into the ranks of the top five agencies, not bad going for a company which employs only 20 people on two floors of a building in central Milan and only started operating in 1979.

The Lasagna story (the name does not quite fit with the blazer-wearing and whiskered gentleman who this month spent five days with Prince Philip and other executives of his beloved World Wildlife Fund) is more than anything else an illustration of the growth of Italian television advertising. MVL is by no means the only agency to have zoomed in on the market, but it is among the more successful, this year managing a billings-to-employee ratio which at one million dollars a head (including directors and secretaries) is comparable with the best.

The client list at MVL, which includes Beecham, Cinzano, Clark Gum, ICI, Kawasaki, Seat Auto and the Irish Dairy Board, shows a fair mix of products, ranging from hand-cream and shampoos to chewing gum and cars.

Who, then, is Robert Lasagna, and how has he created a company which is now being wooed from abroad? Born in La Spezia on the Ligurian coast, he did his "A" levels in the UK, spent a year as a trainee product manager with Unilever Italy and in 1955 went to work in London for Maslus and Ferguson. "The first thing they did was to send me to Glasgow as an assistant to the local Colgate toothpaste sales rep," he recalls with a smile.

In 1965, he returned to Italy, where he opened the Milan branch of what was then Mather and Crowther. After the takeover by David Ogilvy, Lasagna served for 10 years as general manager in Italy. By 1977 he had built up Lire 7bn of billings and a staff of 34 in a market which compared with today's was practically immobile. From 1960 to 1978 the Italian advertising market grew by around 40 per cent in total billings—last year alone it grew by 41 per cent (according to Nielsen).

In 1978, together with two creative directors who also had television experience, Lasagna formed MVL Partners. "I had turned 40 and wanted to start my own company. If you don't do it at 40 you never do." MVL was formed with Lire 20m (£8,000 at today's exchange rates) of capital and one secretary. "We began with no clients, with zero business, but with many friends," recounts Lasagna.

The first major client to come along was Beecham's Italian subsidiary, with L150m of billings for selected 30-second television spots, mostly for the Glysolid hand-cream product. Today Beecham is one of MVL's largest clients, with annual billings of more than L7bn and nine products ranging from Badedas soap to Macleans toothpaste.

Lasagna says that his company has never borrowed from a bank, but he admits that MVL did not break into profit until 1981. This was just around the time that Berlusconi's private television stations were coming into prominence. Berlusconi, formerly a property developer, is today Italy's unchallenged television mogul, with three national networks which last year attracted L680bn of advertising.

The Lasagna formula was to devote 90 per cent of company resources to television, abolishing the concept of account executives and providing personal service by himself or his two partners. The bulk of his staff are what he calls "media executives" whose job is to "haggle" for air space and take care of administrative matters.

Lasagna reckons that three key changes have conditioned the Italian advertising business in the past five years; there has been a dramatic change in product distribution channels, in selling organisations and in types of advertising.

"We are a television agency and we are only interested in supermarkets really, in consumer goods. Italy is changing from corner shops to a huge mass market. Today my target is the Sicilian factory worker who has moved to Turin or Milan, has a wife and a sister who both work and they all go to the supermarket every Saturday morning to buy all the week's goods. No longer do most Italian housewives go to a local shop where the proprietor says: 'Oh, Signora Bianchi, why don't you try this new egg shampoo?' In today's Italy the housewife goes to the supermarket and buys the goods she has seen on television. Either she recognises the brand name immediately or you are dead."

The change in marketing and distribution is clear: whereas in 1975 supermarkets accounted for 0.4 per cent of 172,447 retail outlets and 17 per cent of consumer sales, supermarkets (ie shops over 400 sq metres) now represent 0.7 per cent of 157,153 outlets, but 28.6 per cent of sales. When hypermarkets and other large multi-product outlets are added, Italy's small retailers today end up with 73.6 per cent of the outlets, but just 48.1 per cent of the trade.

The old pattern of a consumer company employing 300 salesmen to travel round the country (as in Britain in the 1960s and early 1970s) has only recently shifted to a new structure whereby a few salesmen sell to around 20 major buying groups which account for more than half of the retail market.

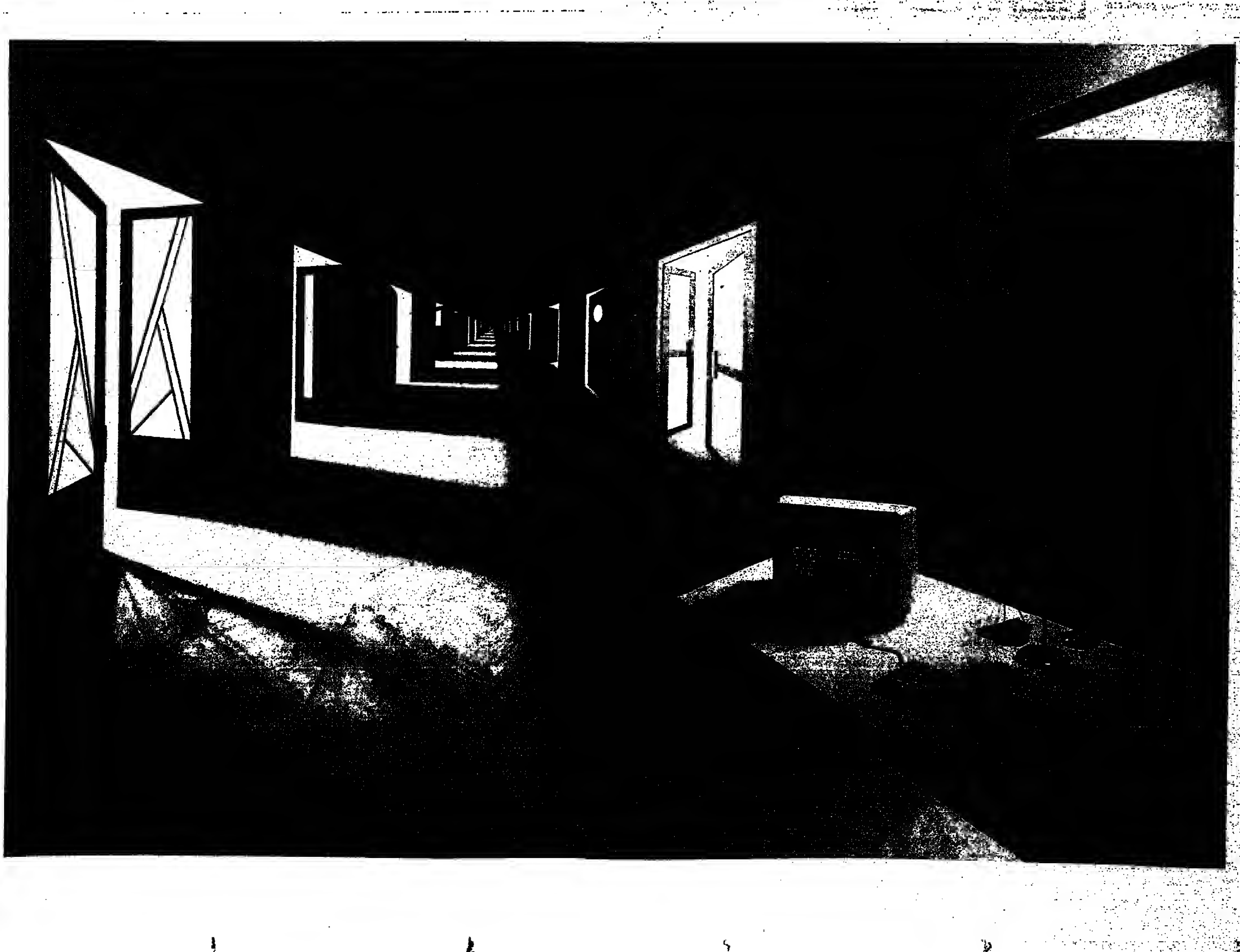
Italy's television revolution means that whereas before a

salami was just a salami, today it is a *branded salami*. As a result, Lasagna says: "The buyers for large groups must have the top four or five nationally advertised products—we are establishing demand brands."

This is the logic which many Italian agencies, from McCann Erickson and J. W. Thompson on down, are applying. Lasagna says his agency has never employed print specialists, but was conceived for television.

Lasagna reckons that his business has now reached a point where he must double the staff or sell out—no longer can he grow with a tightly woven staff of 20 people. But he does not wish to borrow from banks to finance the growth and does not wish to be taken over. Therefore he is actively pursuing takeover offers from two large European agencies, hoping to retain management control following a merger.

Who are the mystery bidders? The ebullient Robert Lasagna strokes his Edwardian whiskers and says, "Watch this space."



THE ARTS

Opera/Max Loppert

A dismal loan disappoints

The first *Meistersinger* that a company undertakes is usually understood to mark its coming of age. No operatic organisation attempts to tackle the largest item in the regular repertory without some confidence that it possesses the resources and, above all, the maturity of insight worthy of the glorious work. Opera North, six years old, has mounted its first production (in English), at the Leeds Grand.

Admirers of the young organisation will have been looking forward to this with high hopes. Though *Tuesday's performance* was a comprehensive disappointment *of them*, it would nevertheless be unfair to deduce from it anything more serious about the state of Opera North than one immediate and saddening failure.

The production (sponsored by the Kenneth Hargreaves Charitable Trust) is of Czech origin — sets (Vladimir Nyvit) and costumes (by Josef Jelinek) were made by the workshops of the National Theatre of Prague. That Opera North decided on a loan production of this kind, rather than on germinating a lively, thought-provoking work of its own, must no doubt be explained in hard budgetary terms. For on any other kind of reckoning this is a dismal kind of *Meistersinger* to have taken on: rootedly conventional without any of the wisdom of tradition; a costume drama that sets its sights on genteel romp and, for the most part, leaves them there.

The problem starts with the ghastly sets and costumes — a vision of *The Mastersingers of Toytown* that achieves its apotheosis in the finale: a medieval illumination out of Hallmark cards brought to life in gruesome fine detail. The action is of a piece with its decor: apprentices prance and bounce, the midnight rumpus is a quaint piece of hand-waving, the identity of guild members (apart from Glenville Hargreaves' pleasantly pompous Kothner) is based on collective grouping, not on individual focussing.

In general, the producer, Ladislav Stros, appears to have left characterisation entirely to the powers of his principals. The most experienced member, Della Jones, *can safely* be trusted this way—though perhaps her Magdalene is even *too* distinguished for the length and prominence of the part. There is also a *vigorous* David. In the too-perky style decreed by the production, from Bonaventura Bottone, always a vivid presence on the opera stage.

But the method works less well elsewhere. In the case of a flaccid, vocally strained Walther, it works particularly badly, and as a way of suggesting the rich tracery of emotional involvement in the opera's foreground it is an abnegation. It is possible to over-emphasise the streaks of pain, bitterness, and disappointment that run through the thematic workings: this is, after all, Wagner's *opéra comique* (as he called it), and a sensation of harmony and happiness is what should last longest in the audience's memory. But to devalue the darker side of the experience as consistently as Mr Stros has done amounts to a failure of imagination.

So the pleasures of the performance, such as they are, are fitful. The *strong singing* of Nicholas Folwell's first Beckmesser is one of them, even if one expected rather more than high-octane *caricature* from the WNO's admirable Alberich. The sound technique of Marie Slorach's Eva (not flattered by her robes) is another—the part was intended for a soprano of more expansive vocal character, but only tonal sweetness is really missed. John Tranter is already almost a good Pogner. The production introduces us to the Sachs of Michael Burt, an English bass-baritone little known in his native land.

The tone is warm (though on Tuesday uncertain support *sometimes* robbed it of power) and the manner sympathetic; no doubt he will go on to dig into the great part far more deeply than he managed to on this occasion.

David Lloyd-Jones's spacious, unforced conducting of the opera is warmly remembered from his Coliseum performances nine years ago. The young Opera North orchestra, though bursting out of the pit, is on the small side, and a corporate legato style is still just beyond its grasp. The *chorus* is excellent. I take no pleasure in writing about an Opera North performance this way; but the gap between promise and fulfilment here was too wide for comfort or concealment.

A Gallery Notebook

William Packer

There are always more galleries showing more art than can ever be reviewed. Nor should they be reviewed, for if the business of reviewing is of any use at all, it is in the gallery round: regularly, to see for oneself. An enjoyable or stimulating show is quite likely to be followed by another, and only the most certain of critics would expect readers to wait upon exclusive definition and judgment. Here is a simple look at some of the current runners — I mark the card, as it were, and nothing more.

*

Well off as we are for galleries, there is no reason not to welcome another. The Fabian Carlsson Gallery, which opened earlier this month at 160, *New* Bond Street, W1, gives us an excellent *new* space and its intentions seem honourable and serious. Carlsson, already well established in America and Europe, admits to a comparative innocence about contemporary British art. He intends to take his time, looking carefully about him to repair the deficiency. It suggests an interesting public course over the next year or two.

With Malcolm Morley (until June 15) who (you will remember) carried off the inaugural Tate Prize last autumn amid some controversy, he has made a strong start. Though Morley has made his adult career in New York, his work is hardly unfamiliar after the Whitechapel retrospective of two years ago. Even so, this is his first commercial show in London. With drawings, prints and a handful of paintings, it embraces the *full scope* of his activity. The recent drawings are especially interesting: strong yet curiously old-fashioned mainstream expressionism, Gaudier-Brzesko out of Matisse.

*

There are quite a few British expressionists of one kind or another currently on show. John Selway, at Christopher Hull in Motcomb Street (until June 8) is perhaps the most interesting, if only for being a talented and mature painter in full career who has shown in *London too seldom*, and too long ago.

These are big, open-surfaced paintings, freely drawn and boldly set out. I should say brazenly rather than boldly, for his subject is the demi-monde of café, bar and drinking club; half-lit interiors full of louche figures, and show-girls undressing and half-dressed. The tone is dark, the colour hot, the composition variously contrived: elegant drawing, brisk painting and elements of the canvas cut and stuck back onto the surface, with, always, a very clever shift between the *formal* modelling and description of figure and space and the flat, collaged, matter-of-fact silhouette.

Norman Adams, at Gallery 10 in Grosvenor Street (until June 13), is more benign; less gleefully sinister in general mood, rather more ambiguous in his imagery and space. Even so, in larger works he is now much clearer in his reference than before, if hardly specific.

The decorative devices are taken from natural forms that lie *flat* and *rich upon* the surface, reading now as active agents in the landscape, figures that inhabit a sun-lit, arcadian, southern world. Adams is the most brilliant of watercolourists, a virtuoso.

Jenifer Durrant is the only abstract painter I shall mention here. Her new paintings, at Nicola Jacobs in Cork Street (until June 22) are as free, light and energetic in their composition as ever: deceptively easy in their accomplish*ment*; beautifully carried off.

They take their amorphous imagery from natural and organic forms; inevitably, they are fraught with landscape association and suggestion, as why should they not be? They have something of the quality we associate particularly with the post-war Cornish painting—latter-day St Ives (which I mean as rather more than a back-handed compliment). For at its best, and not always at the same time, the work of painters such as Terry Frost, Patrick Heron, and most of all, Peter Lanyon, reached a pitch of romantic insight and sensation that took it quite beyond local importance, as we saw at the Tate this spring. Miss Durrant is not alone, in her generation, in engaging with the same ambition, on the same scale. But she is rare in her consistent, high and special achievement.

Two more shows in Cork Street that should be seen: Anthony Eyton, at Browse & Darby (until June 22), a melange of recent paintings, with the emphasis upon his recent journey to the Sudan; and Glyn Williams, at Bernard Jacobson (until June 22), *one* of the leaders in the new wave of figurative sculpture in England, as much by his teaching at Wimbledon as by the direct example of his work.

Williams is also showing a number of his larger pieces in the churchyard of St James's, Piccadilly. These certainly celebrate the physical labour of carving on such a scale; but the smaller works in the gallery—in which the difficulties and the technical skill by which they are overcome are transcended and thus escaped—are infinitely the more touching, simple and unaffected in their imagery; admirably straightforward in their *making*. *These* qualities also come through in much of Williams's drawing.

Eyton is always interesting, *sometimes uncritical* in his insistence upon showing too much of the work, for everything is worked on the surface, and if it goes wrong it goes wrong, to be put right as may be. But he, too, is prepared to engage on the grand scale: the vast spaces and skies that were once beaches and sea with a flicker of bathers across them, that then became pilgrims across the Ganges, are now the Arabs of North Africa come together in the desert, as the lone and level sands stretch far away.

Tomorrow's Architecture/Warwick Arts Trust

Gillian Darley

It is a pity that the Warwick Arts Trust (33 Warwick Square, *London, SW1*) does not shout a bit louder to the public. Its good *exhibitions do not, I* suspect, reach as many people as they *might* — and ought. There are so few exhibitions of contemporary architecture around. A centre that deals with this subject frequently is especially welcome.

In the exhibition *Tomorrow's Architecture* (May 15-June 16, 10 am-5 pm, closed Mondays and Tuesdays) a selection of ten architectural practices has been made by the FT critic, Colin Amery, with Mary Hawke. His introduction emphasises that it is a catholic choice. "Hightec" is excluded; dismissed as "an enormous confidence trick." Architecture is full of such tricks. A few are to be found in this exhibition, too, though the trickery is the sleight of hand in which timber-framed, cut-price housing, or steel-framed standard industrial sheds, are dressed scantily, as Georgian or Grecian. Let us worry less about labels, more about the end result.

Although some of the practices chosen have already gained considerable reputations, others are beginners. One or two seem to fall below the standards set — but in such anthologies the stronger show up the weaker. It is healthy to find that the practices are by no means exclusively London-based.

Predictably, that inventive practice, Campbell Zogolovitch Wilkinson and Gough, rise best to the actual business of displaying their work. The same old problem — how to *illustrate* the complexity and diversity of even the smallest building, in one dimension — has to be overcome. It may be that some of those in the show who have not displayed their wares very well causes the apparent unevenness. A couple of practices respond in more "fine art" fashion, showing series of photographs more about light and mood than the rather sterile approach of the architectural photographer.

We are in a period of eclecticism. From a number of the schemes seen here, it harbours great possibilities. (It need not amount to much in terms of cost or space: in one of the CZWG refurbishments in Gressa Street, behind the Tottenham Court Road, a simple flourish in the flooring adds enormous enjoyment to a little entrance lobby.)

Receptivity by architects to interesting materials, to colour and ornament in its place, is welcome, but it has to be remembered that behind the clear-headed leaders in design follow a motley flock of sheep.

Welcome to the originality of Jeremy and Fenella Dixon, CZWG and John Outram; the care and understanding of detail of Sidell Gibson and Brock Carmichael (in neither case do their displays do them justice), and the flexibility of those like Powell-Tuck Connor and Orefelt, who step outside the strict confines of architecture.

We must not *forget* that eclecticism in the past bore the seeds of its own destruction. Too much worry about style, and not enough about *content*, and we could be back there again.

Alastair Muir

"Chess 1985" by John Simpson & Partners, London, shown at the Warwick Arts Trust

Michelangeli/Barbican Hall

David Murray

Confounding expectations, Arturo Benedetti Michelangeli did appear on Sunday, and played the programme originally announced. He played superbly—rather *in* the old sense: he is a saturnine *presence, guarded* and rather forbidding, given to few gestures *except a trick* of drawing out a plangent chord *visually with a lifted quivering* hand.

He *displayed superb* tolerance in the face of the Barbican hackers, too, who were there in full crepitatious force. There was an unconstrained *swamp*-chorus between each pair of the dozen Debussy preludes, in hideous sterophony, like answering calls among a moribund species.

There was Chopin before Debussy, and Michelangeli's pianism throughout was awe-inspiring. It is perfected to a supererogatory degree, consciously conceived to the last nuance and flawlessly executed: *I do not doubt that his control* of fine graduations of tone exceeds the limits of human bearing. His temperamental limits are not *so* broad. He can light up some pieces from within, as he did with Chopin's grand but elusive *Fantaisie* and the B-flat minor Scherzo, here treated with a knife-edged wit that for once made sense of the label "scherzo." When his sympathies are less *engaged*, his pieces become aesthetic sound-events, like Fabergé eggs magically suspended in the air.

The first Ballade, for example, did not have the thrust of a dramatic narrative, beautiful though its various parts were; it seemed a mere sequence, not a tale. The Andante spianato was marvellously simple and direct, and it led to a Grande Polonaise of unheard-of delicacy and softness—but where was the strong, *arched-back polonaise-beat?* The Polonaise is a cornucopia of brilliant *effects* strung over an extrovert dancing pulse; it was strange to hear it rendered as etchings on glass.

Anything Michelangeli does in public has been long and deeply studied, and the second book of Debussy preludes that he played here was committed to record several years ago. Then, I thought it frigid and brittle. Heard live, much of it seemed warmer; some of it still overloud and under-suggestive. His wry "Général Lavine" was delicious, his "Hommage à S. Pickwick Esq"—a difficult caricature, requiring some ampathy with a *French* sense of *British* quirks—neat and subtle.

Where animal energy should break through—cheerful Scots *al fresco* in "Bruyères," fretful and violent in "La Puerta del vino"—it was compromised by languid *rubato*. The deliberately evocative preludes ("Ondine," "Les Fées sont d'exquises danseuses," the sumptuous "Terrasse des audiences du clair de lune") got sharp gratuitous accents, *mezzo forte* instead of *pianissimo*, crisp lines in place of tremulous shadows. Fascinating to hear, and they were magisterially wrought; but they vanished when they stopped, leaving no speaking echoes behind.

Royal Philharmonic Orchestra/Festival Hall

Richard Fairman

Several unlikely works found their way into Tuesday night's concert in the American Festival. The United States has produced a number of composer conductors and Antal Dorati might not seem foremost among them; but the Hungarian-born Dorati is now a naturalised American (like Mitropoulos and Previn) and possibly that was excuse enough for including in the programme the first British performance of his *Night Music*, an attractive composition dating from 1968.

This piece presents five night scenes in a loosely descriptive style. A solo flute, nimbly played by Jean-Pierre Rampal, takes a major role, suggesting insects fluttering round a candle, or early morning birds. But the most memorable feature of the music is the nocturnal shades of the accompaniment, subtly drawn from the small orchestra.

Foreign influences abound: the shadows of Mahler and Bartok, both experts in night music themselves, fall long across the score. And neither Dorati nor his music, after all, does seem truly American. For the real thing one must turn to a composer like William Schuman, whose *New England* Triptych takes tunes in *the nationalist* vein and dresses them up in brash American colours, using the most striking techniques of block orchestration.

In this the Royal Philharmonic *Orchestra* played with first-rate ensemble. Dorati made the music seem less sheerly the orchestral showpiece that it has done on some recordings, but he brought a fine swagger to the final "Chester" marching song. Samuel Barber's Adagio for strings opened the concert; and the other item was Bach's Fourth Brandenburg Concerto (a most improbable choice) in which flautists Rampal and Susan Milan played against a four-square, very untidy *orchestral* backing.

Breaking the Silence/Mermaid Theatre, Puddle Dock

Martin Hoyle

The rumoured presence in the audience of a Hollywood star and the actual materialisation of an actor from *Hill Street Blues* marked the transfer of Stephen Pollakoff's play from the Barbican to a relatively westish end at Puddle Dock.

Seen last year at The Pit, Ron Daniels's production has undergone some cast changes. Alan Howard returns to the RSC, the company that has witnessed some of his greatest triumphs, as the impossible Nikolai Pesiakoff. Airily superior to the new order in the ferment of post-Revolutionary Russia, immaculate in English shoes and exotic fur coat, contemptu*ously dismissive* of his government post, he pursues his *scientific researches* in the railway carriage that now serves as *his family's home*.

This thinly disguised slice of *the author's family* history hints at a time of fascinating social change. The Soviet system was young and flexible enough to accommodate such sports as the imaginative commissar (John Kane) who gives Nikolai the sinecure, sardonically aware that it is the desperate Eugenia who forges reports and cooks the books to cover up for her impervious husband.

Nikolai should be the linchpin; but the character is more talked about than talking, his foibles described by the others rather than illustrated. A fairly predictable eccentric emerges, casually dividing the carriage into quarters for the family as if still in his palatial Moscow apartments, or refusing to leave the dinner-table to take cover as a battle rages round the train.

What finally comes through is a combination of our friendly old *stereotypes* the unflappable English gentleman (the family eventually *escape*, we are led to believe, to England) and the maddeningly impractical but brilliant boffin.

Mr Howard's rasping yap of a voice expresses Nikolai's aloof imperturbality by speaking at half-speed with extra-ord-in-ary clarity. Theatrical in a superficial sense, the part nowhere convinces as either a Jewish intellectual or unsung inventor; and is not helped by the writing's recourse to sub-Wilde-isms. Echoing Gwendolen's ignorance of a spade, Nikolai observes, "I have never felt a kettle" and "I have never been in a depot" to diminishing returns. Once might be witty. Mr P: twice looks like tiredness.

The play's true protagonist is Gemma Jones's Eugenia. Initially terrified of taking her stockings off in hot weather for fear of her husband's displeasure, a helpless high bourgeoise frozen in apprehension at the new Russia, she blossoms into the tough and fulfilled worker who keeps the family together. The last scene's inarticulate gropings towards an expression of love as arrest and possible execution loom are moving, only to sag into Mr Poliakoff's uniformly bland middle-class speech patterns, apparently shared by everyone from government officials to soldiers (Jenny Agutter's shot at Mummerset notwithstanding).

The play falls into the same trap as its characters when they ask who the funeral march is for. Lenin's death is noted only as an irritation; and the figures in the foreground are not interesting enough to prevent one longing for more of the background's great events.

Saleroom/Antony Thorncroft

Batting record

The cricket bat used by Jack Hobbs in the match when he beat W. G. Grace's aggregate *record* of *runs* of 54,896, sold for £1,320 at Phillip's yesterday to a private buyer.

It was in 1930 that Hobbs, playing for Surrey against Middlesex, topped the bearded Titan's total, and he authenticated the bat in his excitement. Phillips had placed a modest estimate of £100-£150 on the bat and, in the event, secured an auction record for a cricket bat.

Phillip's sale of cricketana and other sporting items did well. Wisdens remain much sought after. Simmons, a dealer, paid *£4,800 for 84* volumes, and £950 for just one, the Wisden's Cricketers' Almanack *for* 1868, "a good clean copy." Apter *acquired* 29 "Vanity Fair" cricketing cartoons for £1,000 (*as against* a *£850* top estimate), while Wallace paid £280 for a 1939 Olympic Winter Sports Gold Medal awarded to Sandy Archer of the UK.

A cast-iron table, used in a pub, with the three legs moulded with portraits of W. G. Grace, went for £420 to Gill, while Mann paid £400 for a bronze head of W. G., by Colin Miller, dated 1975: it has been exhibited at the Tate Gallery and *Lords*.

Sotheby's also managed a record price: *£4,620 paid for a* corkscrew. It was bought by the American dealer and collector Ed Polleck. Made in the mid-19th century in bronze, it shows putti sporting around a vine, and was made in the UK.

Christie's held a modest sale of silver and objects of vertu which totalled £225,115, with 11 per cent unsold. Koopman, the *London* dealer, paid *£9,936* for a set of four Queen Anne candlesticks made in 1711 by Thomas Merry, and £7,560 for *a Victorian silver-gilt Coburg* pattern dessert service.

A pair of William III candlesticks sold for £6,696; four George III silver-gilt candlesticks made £6,480. Koopman paid £7,020 for six George II candlesticks made by William Gould.

Sothebys' evening sale in New York on Tuesday, of Latin American pictures, totalled $3,043,645 (£2,396,571), with 27 per cent unsold. Top prices were the $330,000 paid for "La ofrenda en Janitzio" by the Mexican artist Diego Rivera; $176,000 for Nipa bonita by another Mexican painter, Rufino Tamayo, and $170,500 *for* "La Toussaint—All Saints Day" by *Wilfredo Lam*.

*

At Agnew's from June 5 until July 19, the public will be able to view the south front of Warwick Castle as painted by Canaletto. Once the property of Lord Astor at Hever Castle, it was bought by Agnew's, who then sold it, along with many other Old *Masters*, to the Oklahoma oil man, S. T. Fee.

He, pressed for cash, *tried* to sell his newly acquired collection through *Christie's* earlier this month; the Canaletto, along with many others, failed *to find* a buyer. It carried *a* very high $3m estimate, excessive for a picture which had been on the market so recently.

Agnew's bought it again privately after the auction and are now selling it—for $2m.

Arts Guide

May 24–30

Music/Monday. Opera and Ballet/Tuesday. *Theatre*/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each *Friday*.

Exhibitions

ITALY

Naples: Capodimonte Museum: The Age of Caravaggio: This huge and *highly successful exhibition moves* this month from the Metropolitan in *New York to* Naples. Michelangelo Merisi, better known as Caravaggio (the name of the town near Milan where he was born four centuries ago) led an anguished life: a born outsider, licentious, violent and always in trouble with the authorities. His powerful and super-realistic paintings offended the conventionally pious. That they survived *is* thanks only to a handful of rich and *discriminating patrons. Until End of* June.

Venice, *Palazzo Fortuny: Toys for* the science-fiction era, showing how vastly *more* sophisticated robots have become, since first produced in the 1950s. Ends Jul 14.

PARIS

Renoir: An important exhibition of the most sensuous of the impressionist painters, who never tired of glorifying the nude *feminine* body capturing the light, comes to Paris from the Hayward Gallery, London. It consists of some 125 paintings and 50 Drawings, including *Le Bal du* Moulin de la Galette and La Danse à Bougival, Grand Palais, Closed Tue. Ends Sept 2 (2615410)

James Tissot: *A nostalgic evocation* of the charms of Edwardian life, with his fashion-plate perfection in rendering ladies' rustling dresses and beautiful hats, surrounded by attentive dandies at various social occasions. This show arrives in Paris from the Barbican, London. Petit Palais. Closed Mon. Ends Jun 30.

Maitres Impressionnistes et Modernes: Art dealer Daniel Malingue has an exhibition of which Renoir, with 15 paintings, is the glowing star. Yet there are other great names present – Gauguin, Signac, Kandinsky, Chagall being eternally Chagall, an unusually structured black and orange Léger, a Magritte, amazingly sinister. Galerie Daniel Malingue, 26 Ave Matignon. Ends Jun 15.

LONDON

The Saatchi Collection: Charles and Doris Saatchi have been collectors of contemporary art since 1970. The catalogue of their collection, The Art Of Our Time, is being *published* volume by volume, and a gallery established to make it available to a wider public. The gallery is an astonishing converted paint warehouse at 98a Boundary Road, NW8, that offers more exhibition space for temporary shows than any other gallery in London, except perhaps the Tate. There are to be three or four shows a year, of a few artists at a time. Those now being shown are Cy Twombly, Brice Marden, Andy Warhol, Don Judd, and Richard Serra. The gallery is open on Fridays and Saturdays between 12 and 6, or by appointment. (6248299).

The Hayward Gallery: Degas: The Painter as Printmaker – an Arts Council exhibition of the complete oeuvre of his etching and lithography with a small but representative group of his monotypes. For so prolific an artist, his output as printmaker was extremely small and his practice intermittent. This was a *private and experimental* aspect of his work, hardly known beyond his *immediate circle. By it we catch an* intimate glimpse of the artist most un selconsciously teasing and pushing his ideas under no more pressure than his inventiveness and judgment could exert.

NETHERLANDS

Paul Klee at the Commanderie van Sint-Jan Museum in Nijmegen. 60 paintings, watercolours and drawings covering the years 1906-39 on loan from the holdings of the Kunstsammlung Nordrhein-Westfalen. Ends Jun 23.

BRUSSELS

Hotel Metropole is celebrating its 90th year and in its splendid *fin de siècle* public areas, worth a *visit* in themselves, they are exhibiting *glass and objets d'art* from the Belle Epoque to Art Neuveau including works by Wouters, Gallé and Daum. Also on show are a collection of illustrated menu cards including a Press Banquet in 1893, Congo in 1898 and Sarah Bernhardt in 1896. Ends Jul 20.

WEST GERMANY

Cologne, Kunsthalle, Josef-Haubrich-Hof 1: "Ornamenta Eccleslae." To underline the importance of the romanesque churches, the Cologne Schnütgen museum has organised an exhibition of roughly 600 religious works ranging from 11th to 13th century including illuminated *manuscripts* and gold artifacts. Ends June 9.

Düsseldorf, Städtische Kunsthalle, Grabbeplatz 4: Masterpieces of the 20th century, from the private collection of the German industrialist *Thyssen-Bornemisza, are on show.* Works by Manet, Gauguin, Bonnard, Mondrian, Picasso, van Gogh, Schwitters as well as Russian Konstruktivists. Ends Jun 6.

Cologne, Kunsthalle, Josef-Haubrich-Hof 1: 'Ornamenta Ecclesiae.' To underline the importance of the romanesque churches, the Cologne Schnütgen museum has organised an exhibition of roughly 600 religious works from 11th to 13th century. These are illuminated manuscripts and gold artifacts from museums and collections from all over the world. *Ends Jun 9.*

Berlin, Gropius Bau, Stresemannstr. 110 Berlin 61: Treasures of the Forbidden Cities. Timed to coincide with this year's Berlin Horizon 85, the Peking Palace museum is coming to Europe for the first time, with roughly 120 works covering 3500 years of Chinese history. The exhibition in Berlin includes gold, and Jade, paintings, porcelain, musical *instruments and calligraphs. Ends* August 18.

Frankfurt, *Museum für* Kunsthandwerk, Schaumainkai 17: The new museum opens with an exhibition of Turkish culture and art from the Osman empire. 500 works are on loan, ranging from 15th-19th century. The show includes glass, carpets, ceramics, miniatures and weapons. Ends June 30.

Ludwigshafen, Wilhelm-Hack-Museum, Berliner Strasse 23: A retrospective *of Rupprecht Geiger with* 130 paintings and 50 drawings from *between 1945 and 1984. Ends* June 2.

VIENNA

Vienna 1870–1930: Dream and Reality: The greatest names of the Viennese fin-de-siècle – Klimt, Otto Wagner, Schiele, Kokoshka, Adolf Loos, Josef Hoffman – in a dazzling display *of Jugendstil creative genius.* The attempt to integrate the artistic achievements *of this era* with philosophical developments (notably Wittgenstein but also Freud) and political transformations (the emergence of municipal socialism on the ruins of Baroque splendour) is ambitious and only partly successful. The complex tension between autocratic and censored reality on the one hand and the *illusions* or *fantasies* of individual artists on the other is hinted at but not *fully explored.* A high point of the show is a reconstruction of Hoffman's room at the secession exhibition of 1902. Here, triumphantly restored, is Klimt's fifty-foot Beethoven frieze depicting humanity's progress through suffering to joy on the theme of the Ninth Symphony. Displayed exactly as intended, *this alone* is worth a *special* visit. Kunstlerhaus. Ends October 6.

NEW YORK

Metropolitan Museum: 30 objects from the period between the 1851 Crystal Palace Exhibition to the 1900 World Fair in Paris demonstrate the show's theme of *Revivals* and *Explorations* in European decorative *arts. Ends* Sept 5.

Museum of Modern Art. The first comprehensive *retrospective of Henri* Rousseau, including 60 works from as far away as Prague, show the masterful playfulness of the Paris toll collector who brought together man and nature at their most benign and intriguing. Ends June 4.

WASHINGTON

National Gallery. Ancient Art of the American Woodland Indians includes 151 pieces covering 5,000 *years of sculpture*, ceramics, *copper* and shell objects of the native Americans who lived in what is now the eastern half of the U.S. Ends Aug 4.

National Gallery (West Bldg): 36 old master paintings from the Dulwich Picture Gallery are exhibited under the title Collection for a King, including works by Rembrandt, Van Dyck, Canaletto and Gainsborough. *Ends Sept 2.*

CHICAGO

Art Institute: Though Edouard Manet made etchings primarily to reproduce and publicize his paintings, he developed a unique style as shown in the 27 etchings in this special exhibit *of more than a third of his* total output of 75 etchings. Ends Sept 2.

Art Institute: With 200 of Marc Chagall's works on paper dating from 1907 to 1983, this show from the Centre Pompidou in Paris makes a good study of Chagall the draughtsman. Ends July 7

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

Telegrams: Finantimo, London PS4. Telex: 8954871

Telephone: 01-248 8000

Thursday May 30 1985

Mr Reagan's half loaf

PRESIDENT REAGAN'S tax reform package, presented persuasively on television as the most radical assault on had laxes since the Boston tea party, appears at first sight to be a good deal less dramatic than that would suggest. It is drastic, especially in its implications for corporate tax payments in the near term; but compared with the original U.S. Treasury proposals, it cannot be called radical. This dilution is clearly intended to improve its political chances on Capitol Hill; but the loss of a clear underlying principle must also make it more vulnerable to wrecking amendments—whether they are intended to be damaging or not. Realistically, there is probably now a better political chance than before of some fairly striking changes for U.S. taxpayers; but there will be much less international *interest* in the outcome.

What has been lost, probably beyond recall, is the chance to base tax on a realitic definition of a capital income—and with it, the chance to provoke a substantial fall in real interest rates in the U.S. market. Treasury I as it is already known to its academic mourners, did try to get to the root of the problem of defining income to provide not only a broad but an economically neutral tax base.

Realistic fall

Its prposals to index capital values, and to base tax collection and tax reliefs on real rather than nominal interest rates, would have produced a very sharp fall—as much as 400 basis points, according to some well-researched estimates — in the nominal rates which borrowers would have felt able to pay and which savers would have been willing to accept. This fall in market-clearing rates would have had two effects of the greatest international importance: it would, over two or three years, have reduced the structural deficit which so plagues U.S. policy by the order of $100bn, simply through lower debt service payments; and it would have made it much easier to get a realistic fall in the exchange value of the U.S. dollar.

The watered-down proposals, by contrast, will have only a modest effect on market clearing rates, though almost certainly more than the zero effect which some disgruntled critics are now claiming; and its effect on the underlying fiscal deficit is still more problematic. It is presented as revenue-neutral, and so it would be in the early years; but in the longer run, as commercial taxpayers worked their way out of windfall tax and built up their depreciation offsets, the rise in corporate tax would be much less than the fall in personal liability. The Treasury seems to be treating this as a problem for some future administration (or perhaps hoping that higher real growth will provide a solution) but financial markets have a habit of discounting visible future problems today.

Small print

The loss of any clear underlying principle is also likely to be a source of trouble. Concessions to special industrial interests, on capital gains tax, and the abandonment of indexation, reduce the package to a set of numbers, generally designed to broaden the tax base and cut rates. The trouble is that other would-be reformers can propose other numbers, and have already started.

Representative Jack Kemp, the Republican advocate of a flat-rate tax with no exemptions, has not waited to wade through 400 pages of small print (a rather laborious kind of simplification) to denounce the whole proposal as inadequate. With his eye on the Republican nomination, he promises much lower rates. It seems unlikely that the Democratic sponsors of the Bradley-Gephardt Bill, with broadly similar aims, will allow Mr Kemp to claim low rates as a Republican copyright. In short what, if anything, emerges from Congress seems likely to be as different from the President's proposal as that proposal is from Treasury I.

The prospect, then, is more confusing and less exciting than once seemed possible. All the same, a British newspaper has very little right to carp. The sight of a president hanging the drum for substantial even if less than radical reform looks enviable from a country where the path of the tax reformer seems to stretch no further than the corridor from No 11 Downing Street, where the Chancellor dreams his not so radical dreams, to the Cabinet room next door at No 10.

Britain and the European Court

THOSE who are appalled that the British Government has lost yet another case in the European Court of Human Rights in Strasbourg should be comforted by the thought that Britain, unlike some other countries, was in the dock not for refusing to let people go, but for not letting them come. hat so many peopla seek residence, work or merely a safe haven in the British Isles is the best proof that their inhabitants enjoy a better protection of their human rights than can be obtained in many other countries.

If this is so, one can ask why Britain tops the list of the Human Rights Court when it has so far lost 12 and won only two out of the 20 cases brought against it, keeping busy a court which, from its establishment, has heard altogether 91 cases. The explanation is simple. First, some conntries do not allow their citizens direct access to the court; Fraoce has allowed it only since 1981 and, therefore, appears on the bottom of the court'a list with only one complaint. Second, the Strasbourg Commission and Court admit only plaintiffs who have exhausted *all* domestic judicial Tremedies. he UK differs from other countries in that it has neither a written Bill of Rights, nor special administrative courts, nor a constitutional court which could check whether legislation conforms with fundamental rules adopted by a qualified majority of the legislature.

Bill of Rights

his does not mean that in the UK there is no judicial protection of human rights. Judges can and do apply fundamental principles of English law protecting individual freedom, though they do occasionally forget about these principles as the judicial review of government acts has been developed only recently.

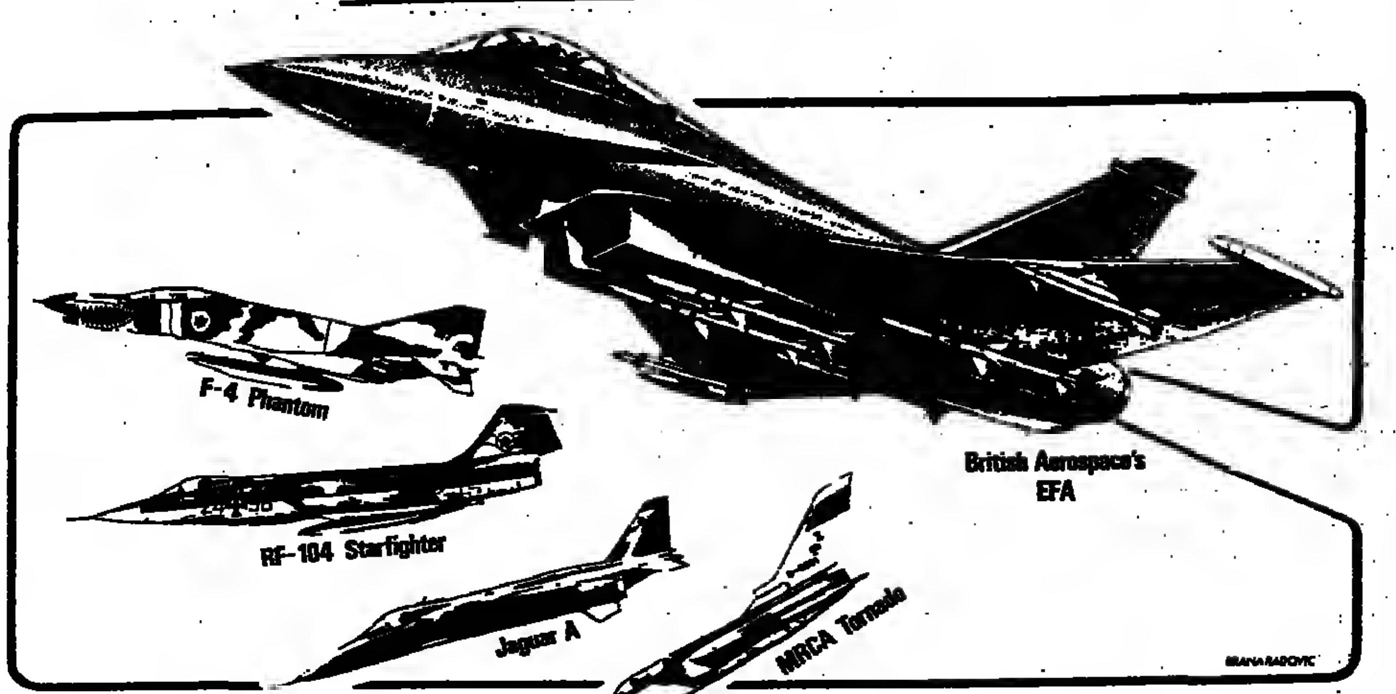
For this reason, and not only to avoid complaints going straight to Strasbourg, it would be a good thing if the UK made its fundamental rights visible by adopting a Bill of Rights, using the opportunity tn fill in any gaps laid bare by social and economic change. Although Mrs Margaret Thatcher, the Prime Minister, once expressed doubts whether a Bill of Rights would be compatible with the supremacy of parliament, at least two leading English judges, Lord Denning and Lord Scarman, do not seem to entertain such doubts. Even more urgent might be the establishment of an administrative court made necessary even more by govermental regulation of business than by such problems as immigration.

Problems with immigration are a mixture of economics and strong emotions. This makes clear thinking all the more necessary. One should strive to make a distinction between those who seek permanent residence in the UK for family or other reasons, those who come to the UK to work for a limited period of time, and those who seek asylum from oppression and intend to return to their home countriea when conditions allow. The distinctions which the laws of some other countries make between immigrants, foreign migrant workers and refugees is useful not only for the purposes of immigration control but also for making clear to tha individuals concerned where they stand.

The *particular infringement* of the Human Rights Convention of which the British Government has now been found guilty in Strasbourg, in refusing woman residents the same right of bringing into the country their marriage partners as is granted to men, is part and parcel of the complex legal and moral problems of the equality of the sexes in a modern industrial society. Even the purely national conflicts and aspiraions generated in this area of social change still remain largely unsolved—equal pay and equal taxation for example. Such problems are even more intricate when it comes to the movement of people between countries where family relationships and the relative position of men and women in society greatly differ.

For that reason real equality in the treatment of both sexes can be achieved only if each case is considered on its merits. In the field of immigration the authorities should treat men and women in the same way, taking into account their family and unemployment circumstances, but also guarding against "paper" marriages designed purely to evade immigration rules.

EUROPE'S FIGHTER PROJECT



Past, present—and future? The existing Phantom, Starfighter and Jaguar, plus the Tornado now in service—and BAe's concept of how the EFA would look.

Why the obstacles are looming even larger

By David Marsh in Paris

TWO aircraft mock-ups on display at the Paris air show today help explain why one of the widest-ranging armaments projects yet conceived in Europe may be in danger of aborting before take-off.

The delta-winged models—one built by France's Dassault-Breguet, the other by British Aerospace—represent the two companies' rival concepts of the European fighter aircraft (EFA) which five countries are discussing building for the 1990s.

The defence ministries of Britain, France, West Germany, Italy and Spain have spent around two years trying to establish a political, military and industrial basis for constructing the supersonic plane.

The project woudl represent a giant step foward in standardising Europe's defence equipment to meet the threat of high technology warfare. It could add up to a life-or-death chance for the continent'a aerospace industry to pool resources to stand np to increasingly muscular U.S. competition in weapons development.

But, in the past few weeks, the long-term prizes have started to recede from view as the obstacles loom larger.

With Ministers coming under increasing pressure to defend national interests, and competitive tensions rising between Europe's two main aerospace powers, Britain and France, the essential compromises needed to underwrite a five-nation EFA are becoming perceptibly more difficult to achieve.

Unless governments in the next few weeks can show fresh ability to bury differences, the search for alternstives to five-nation co-operation — already being pursued ostentatiously in Paris, less so in London and Bonn—will start to take precedence over the search for common ground.

And there is a clear risk that the project, its self-generated strains finally overpowering the cohesive forces pulling it together, could split off into two or three amaller programmes—making the probable overall winner the U.S. aerospace industry.

The stakes associated with EFA are high precisely because the project tries to combine national objectives, in the aim of maximising economic and military efficiency, on a scale not previously attempted in European weapons co-operation.

The problem is that reconciling this profusion of objectives—which would require, crucially, the signing by Dassault of its first genuinely equitable international plane-building partnership — may simply turn out to be impossible.

The project has been put forward to take account of the need, more or less simultaneously in the five countries in the mid-1990s, to replace ageing Anglo-French Jaguars, McDonnell Douglas F14 Phantoms and Lockheed F-104 Starfighters. British officials underline that the window will not be open again for the next 15 to 20 years, if ever.

A co-operative programme, by sharing development costs and assuring long U.S. style production runs for 800 to 1,000 planes (plus exports) could cut unit production costs by np to 20 per cent, on the crucial condition of a well-managed industrial organisation, according to French estimates. A crucial feature nf successful U.S. fighter production programmes is that they can run for 10 to 15 years.

In 11 different meetings since the end of 1983, armaments directors from the five countries have narrowed aome of the differing national ideas on the aircraft'a specifications.

France wants a lighter fighter in the 9 tonne bracket to fulfil a ground attack role.

Britain, like the other three countries, favours a heavier aircraft for air defence purposes.

At their meeting in Rome on May 16—which for some weary nfficials added np to a solid 18 hours of wrangling—the five Defence Ministers reached a compromise built around a basic weight target of 9.5 to 9.75 tonnes, a figure which fits in best of all with West Germany's requirements.

Potential discord over transfers of know-how

A narrowing of views was also achieved over engine thrust.

Air-frame manufacturers from the five countries—British Aerospace, Dassault, Messerschmitt-Boelkow-Blohm, Aeritalia and Casa—have been asked to refine existing feasibility studies in advance of a further Ministerial meeting planned for June 17 and 18 in London. A similar task has been allocated to the aero-engine makers—Rolls-Royce, Snecma, Motoren-und-Turbinen-Union (MTU), Fiat Aviazone and Sener—which are substantially closer together in their industrial approaches.

The airframe manufacturers' 6-inch-thick feasibility study drawn up over the winter, is split four to one over specifications, with Dassault providing the dissenting voice. In practice, the new report, intended to give Ministers a clearer picture of how aircraft with certain weight and thrust characteristics would perform in relation to military requirements, is not likely to bring ideas much further together.

Behind the lack of agreement over harmonising requirements ahead of the project definition stage lies still greater discord over carving up design and production work on the plane.

"It's not just a question of British Aerospace versus Dassault," says Gen Jacques Mitterrand, the former chairman of Aerospatiale and head of France's aerospace industry association, who will be accompanying his brother, the French president, at the formal air show opening tomorrow. "We've had a lot of satisfactory co-operation in the aerospace field, but nothing can be done unless the fundamental interests of the participants are preserved."

These interests go well beyond the immediate industrial questions. British officials, on both the industry and government side, are suspicious—probably with some justification—that France is seeking to drag out negotiations on the EFA to win time in marketing its Mirage 2000 interceptor. The new plane, being ordered only sluggishly by the French air force because of budgetary cuts, has already proved a success on export markets, in keeping with French military aircraft traditions where foreign sales tend to take priority over nther considerations. France in particular has edged ahead of competition with the Anglo-German-Italian Tornado fighter-bomber in chalking up Mirage 2000 sales to Greece, and looks like doing the same in an even more controversial deal with Saudi Arabia.

French officials, on the other hand, are wary that Britain is seeking to gain negotiating strength from its 16-year-old link-ups over the Tornado. The project, now estimated to have cost close to £20bn, condemned in France because of its budgetary over-runs, unwieldly organisation and generation of new, potentially competitive air-frame and engine production capacity in Germany and Italy.

There is also still more fundamental potential for discord over transfers of know-how in sensitive areas like radar-beating Stealth technology, composita materials and engines.

The French Defence Ministry, believes that Britain is trying to place on to the EFA a derivative of the tri-national RB-199 engine built for the Tornado in preference to the M-88, a new, lower-powered engine developed by Snecma.

Both the British Government and Rolls-Royce say they want a brand-new engine for EFA, pooling the best of European technology. But a RB-199 derivative is being developed anyway to fit to the RAF's air defence version of the Tornado from about 1992 onwards. Britain says it would make economic and technological sense to use the same engine at least for the development stage of the EFA.

The most visible differences however clearly concern tha tussle between the air-frame manufacturers. Dassault, in the shape of its crusty 74-year-old chairman, M Benno-Claude Vallieres, is sticking uncompromisingly to its demand for design leadership and 46 per cent of the work—the latter line going signally beyond the Defence Ministry'a. M Vallieres, a long-time associate of tha legandary M Marcel Dassault who built up the company before and after the war and is still, at 95, its main shareholder (in spite of the state's taking a 46 per cent stake under the Socialists) says leadership should flow naturally from Dassault's 30 years of experience in making and selling Mirages.

Bonn may have casting vote in the dispute

Dassault is advancing as fast as possible towards the prototype stage of its own version of the EFA, the former Avion de Combat Experimental, now code-named Rafale ("gust of wind"). The 8.5 tonne basic weight fighter, powered by two General Electric 404 engines, will make its first test flight next year.

Sir Raymond Lygo, the British Aerospace managing director, rejects Dassault's argument of superior competence in supersonic aircraft as "bogus." He says the Mirage fighters have sold so well abroad partly because Britain—not present in a new middle-of-the-market jet fighter project since the 1950s—has not provided competition. And he believes that export opportunities in the next decade will be concentrated on heavier, superior-technology planes rather than the "cheap and cheerful" range advocated by the French. Sir Raymond, who reckons odds on agreeing a five-nation EFA are just about even, says British Aerospace "will not settle for less than 23 per cent" of the programme—a position backed up by the Germans.

To drive home the point, British Aerospace is stepping up lobbying of Mr Michael Heseltine, the Defence Minister, and other key members of the British Government to "stiffen resolve" against making concessions.

The company's work on an all-British EFA design, the P-120—due to result in a demonstrator aircraft flying next year—as well as studies on a possible three-nation grouping to build the plane along the lines of the Tornado organisation, are designed to show that other options are available.

The French aerospace industry, meanwhile, grouping the avionics and equipment makers (which represent 50 per cent of the cost of a new plane) as well as Dassault and Snecma, have been mounting a similar lobbying campaign—strongly backed by the pro-Communist CGT trade union.

There are also signs that the pressure—as well as the basic disagreements with Britain—is beginning to have an effect on M Charles Hernu, the Defence Minister. Up to now he has been the staunchest advocate of co-operation on an "equitable" basis—whereby France would hava a share of about one-third of the work.

In the present jostling for positions, potentially the most significant moves may be taking place, out of the public eye, in Bonn.

Both the German government and MBB say they are fully committed at present to a five-nation solution which gives domestic industry a fair share-out. But, given the firm desire of Herr Manfred Woerner, the Defence Minister, for a deal to be agreed this summer, alternatives are already being quietly considered in the event that the European impasse remains.

As well as the possibilities of deals with either France or Britain, the alternatives include a co-operative agreement with the U.S. As for Britain (where Mr Heseltine has admitted that a U.S. purchase would be the cheapest short run solution), the American options centre broadly on the F15, F16 and F18 ranges made by General Dynamics and McDonnell Douglas, as well as the Advanced Tactical Fighter being worked on by seven U.S. aerospace groups.

To help develop a "fall back" position in case of lack of a European solution, the Bonn Defence Ministry is putting pressure on the Bundestag defence committee to release DM 120m in funds frozen last year for aerospace research. The funds are needed to boost German industry's own technological competence on parts of the EFA.

With Chancellor Helmut Kohl seeking a chance to rebuild bridges with Paris after differences over the response to the U.S. Star Wars initiative, a German decision in favour of the U.S. seems an unlikely outcome at the moment. But Bonn may have the casting vote in the Franco-British dispute; not for nothing do British officials look at the Germans as the jokers in the EFA pack.

Men and Matters

Walker's energy fired by gas

Peter Walker, Energy Secretary, is attaching great importance to the setting up of two new branches in his department. So much so, in fact, that he is putting in his own Civil Service private secretary as the head of one of them.

There are no prizes for guessing that the two new branches will deal with legislation for the privatisation of British Gas, and with the sale arrangements and subsequant regulatory framework for the business.

Civil servants have harboured a suspicion that Walker is not over-fond of their breed. But the abrasive Michael Reidy, who was brought back from a civil service secondment at Kleinwort Benson, the merchant bank, to run Walker's private office, appears to have broken through his minister'a confidence barrier.

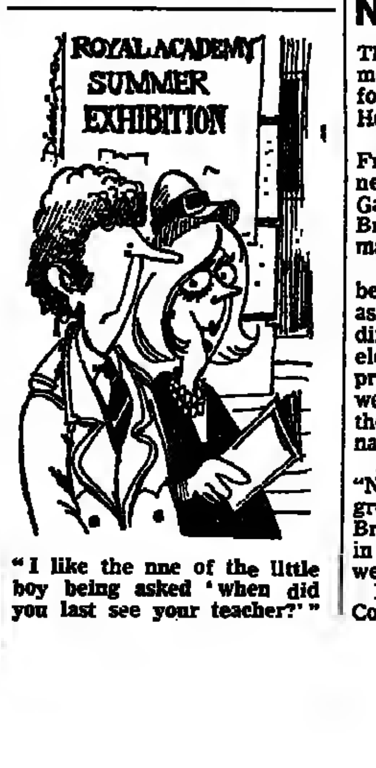
Perhaps it is his commercial approach that appeals to Walker. Rumour has it that Reidy has turned down at least one lucrative offer from the private sector.

In his new job he will be responsible for setting np a regulatory system to prevent British Gas from unfairly exploiting its monopoly position after being aold to the private sector.

Decisions on the regulatory framework are regarded as crucial—not least by Sir Denis Rooke, the chairman of British Gaa, and a man who has built a close relationship with Walker. Rooke has said he does not mind whether British Gas is in the private or public sector—just so long as the government gets the new regulatory system "right."

Walker's new principal private secretary is to be Geoff Dart, who has just returned from a stint on loan to the Cabinet Office, where he worked for Peter Gregson.

Gregson, in turn, takes over from Sir Kenneth Couzens as the new permanent secretary of the Department of Energy next week.



"I like the nne of the little boy being asked 'when did you last see your teacher?'"

Name swapping

There is a hint that the government has a new name in mind for the privatised gas industry. How does National Gas sound?

Yesterday the National Freight Consortium launched a new subsidiary called Britannia Gas—its vehicle to enter the British liquefied petroleum gas market.

The company was to have been called Nstional Gas but, as Clive Beattie, msnaging director, explained, "At the eleventh hour after all the printing had taken place, we were ordered from on high (in the government) to change the name."

Beattie added wistfolly, "National Gas had begun to grow on me. The idea of Britannia Gas was thought up in the five minutes after we were blocked."

Employees of the British Gas Corporation will be hoping that they do as well out of their privatisation as did National Freight employees, who bought their company from the government in 1982.

Independent auditors estimate that the shares are now worth over 12 times the selling price three years ago.

Labour days

As a kind of sober postscript to the recent VE Day celebrations, the Department of Employment'a Gazette takes a look back this week at the labour front in the early summer of 1945.

The Gazette's headlines in those days were even staider than now: "Revocation of Certain Defence Regulations" and Factories (Glass Protection) (Revocation) Order, 1945."

But the measures were more far-reaching than the titles suggested. The first, for instance, revoked "the prohibition of strikes and lockouts, likely to interfere with essential services"—at a point of some interest to today'a DE officials who have long been in anguish over a consultative Green Paper on just this issue.

As now, the Gazette expressed in formal terms many of the Government's key pronouncements—that conscription would still continue, and thst essential work orders, directing people to specific jobs, would remain in force. Detailed guidance wss issued to employers about time-off for VE Day itself.

There were more strikes in April 1945, than in April 1985: 198 compared with 49. But fewer days were lost: 100,000 then, against 166,000 last month.

Deaths at work were high: 145 in April, including 42 in the mines, 25 on the railways and 78 in factories.

Rationing was still gripping Britain. The weekly allowance of bacon was cut from four to three ounces, but averyone got an extra half pound of sugar.

Unemployment is not mentioned in yesterday's Gazette article. But in January, 1945, it stood at 111,000. And, shades of today's faith in the future of service industries, the Gazette was then reporting on Government schemes for the post-war organisation of private domestic employment.

Bide's bliss

Just for a moment, it looked as if BL's arch-critic, Noel Falconer, had mellowed.

BL "is not a lame duck," said the opening statement of his BLISS (BL Individual Shareholders Society) report handed around at the company's annual meeting in London yesterday.

Then, it thundered: "It is a stranded whale. . . ."

Falconer, who claims to represent many of the 65,000 private shareholders who hold a two per cent stake in BL, wasted no time wading into the attack after Sir Austin Bide, BL'a £65,000-a-year chairman, spoke of "a temporary setback . . ." "a difficult year" ahead . . . but "real progress" in productivity and quality.

Bide's figures were challenged by Falconer, who produced his own to suggest that BL last year had been £102m short of target on its corporate plan and that productivity had actually fallen.

"At stake is your credibility or mine," he asserted—to which Bide mildly agreed before moving on to other matters.

Falconer returned to demand the reason for the rejection of his candidature against directors np for re-election.

He was not eligible unless a director was standing down, Bide replied. "Astounding," cried Falconer. "Too bad," growled Bide.

Exit Falconer, in anything but a state of bliss.

Observer

Atlantic Institute poll

Unemployment matters most

By Malcolm Rutherford

THE main concerns of the peoples of the industrial democracies are unemployment, crime, the threat of war coupled with nuclear weapons, and social injustice—in that order. Unemployment comes way out on top, with the exception of Japan.

Inflation is much less of a worry than it used to be. So is concern about excessive government spending. Fears about inadequate defence scarcely figure on the list.

There are also some surprising divisions between the countries when it comes to attitudes towards information technology. West Germany and Japan are among the lowest users of the new systems and exhibit some of the greatest hostility to applying them because they think that they will be destructive to jobs.

Britain and France are among the highest users of computers and word processing systems, and appear to have much more enthusiasm for them than either the Germans or the Japanese.

The United States is in a class of its own. Not only have more Americans used the new information technology than in any other country polled. More of them would like to undergo special training to understand the new systems and 50 per cent of *Americans* believe *that* computers and word processors will help to create jobs rather than destroy them.

No other country comes anywhere near that approach, though it is striking that even in the U.S. as many as 43 per cent of those polled said that they thought that the new technologies would tend to worsen unemployment.

Those are some of the main findings fo the latest Atlantic Institute for International Affairs-Louis Harris International Poll*, which is backed by a number of western media including the Financial Times.

The polls have now been going on intermittently since September 1982 and the fieldwork is timed to the run-up to the economic summit meetings of the seven major industrial democracies, the most recent of which was held in Bonn this month.

There is always a key barometer question shown in the accompanying table 1: which are your greatest concerns for yourself and your country today?

One of the most notable changes over time is the way worries about inflation have steadily dropped down the list. In France in 1982, 50 per cent of those polled put it as a prime concern. The figure is now down to 28 per cent.

The figures for West Germany ere 32 per cent in 1982 and only 14 per cent now. Italy has dropped from 46 per cent to 36 per cent in the same period.

Only in Britain has there been a slight *rise in the last year, no* doubt reflecting recent inflation statistics and expectations. In 1982, 28 per cent of British re-

Concern about social injustice has been rising

spondents put it as a main concern. By May last year the figure had dropped to 18 per cent. It has now risen to 22 per cent.

Quite the biggest and still increasing *anxiety*, however, is about unemployment. This applies even *to the U.S. where* it was named by 45 per cent of American respondents as against 36 per cent a year ago.

In France, unemployment was listed by 80 per cent of respondents. In both West Germany and Britain the figures were 66 per cent. In Italy the figure was 70 per cent and in Spain 89 per cent. All of those are up—and in West Germany up sharply—

Another finding which deserves political attention is the concern about crime in all the countries polled. After unemployment it is now the biggest single issue, apparently throughout the western world.

There *may* be a corollary: concern about social injustice has been rising, too. In West Germany, which perhaps aberrationally came out as a remarkably contented country last year, the percentage of respondents mentioning social *injustice rose from* 12 to 28. In the U.S. it rose from 13 to 22. Oddly enough in Britain it fell from 23 to 16.

If there is one generalised political lesson in the findings, it may be that people are beginning to show more concern about those out of work and the socio-economic conditions which allow unemployment on such a scale.

The more detailed questions about *attitudes* to *information* technology, however, show an *unexpected breakdown* between countries. In all places it is the young who have used the new systems most and who most want to do so. Yet in Japan, as table 2 shows, only a total of 14 per cent have done so and in West Germany only *11* per cent. Moreover, more then 50 per *cent of* West German respondents said that they had *no interest in trying. Perhaps* the French are more technologically attuned than the Germans, after all.

The British figures show a split down the middle: one half of those polled having used the new technology or wanting to, and the other half refusing to have anything to do with it.

Yet the biggest split of all is between the Americans and the rest. The majority of Americans like information technology and think that it is job-creating. No other country polled has this vision of the future.

There remain a *few* oddities shown in table 4. The Americans are *remarkably* dissatisfied with their school system as a block to technological process. So are the French to some extent, but their *system is* being reformed in the autumn. A large number of the British (43 per cent) still seem to blame their problems on the trades unions, and only 19 per cent on the schools.

It is the Italians who are most discontented with their political leaders, though the Americans run them close. Britain does not come out too badly in this respect, and President Mitterrand of France rather well.

* *The fieldwork was conducted between April 2 and May 12 based on representative samples of people eligible to vote of about 1,000 in each country.*

THE KEY FINDINGS

Which of the following are your greatest concerns for yourself and your country today ?

	France	Germany	Britain	Italy	Norway	Spain	U.S.	Japan
Threat of war	36	14	25	42	33	44	32	36
Energy crisis	7	9	8	16	4	16	12	29
Inflation	28	14	22	36	7	32	29	21
Inadequate defence	4	4	7	4	4	8	14	10
Unemployment	80	66	66	70	59	89	45	16
Social injustice	30	28	16	26	26	36	22	26
Crime	29	33	42	55	18	38	42	33
Nuclear weapons	28	35	32	37	26	42	31	38
Excessive govt. spending	15	17	11	19	7	17	35	21
Poor political leadership	19	17	22	24	13	7	24	12
No answer	1	4	3	3	1	1	1	1

Totals over 100, because of the possibility of multiple answers.

In which of these categories would you place yourself ?

	France	Germany	Britain	Italy	Norway	Spain	U.S.	Japan
I have already used an information-processing system such as a computer or word processor	26	11	28	7	21	12	37	14
I have never used one, *but it would interest me*	37	23	22	29	29	41	32	41
I have never used one, and it doesn't interest *me*	36	51	49	48	50	43	29	40
No opinion/not sure	1	15	1	16	0	4	2	5

Which of these two options comes closest to your own views ?

	France	Germany	Britain	Italy	Norway	Spain	U.S.	Japan
Increased use of information-processing systems, such as a computer or word processors, will worsen unemployment	47	53	63	48	45	63	43	47
Wider usage of these systems will help to create jobs	23	12	22	19	25	13	50	24
Neither one nor the other	22	17	9	13	15	19	3	13
No opinion/not sure	8	18	6	20	15	5	4	16

Among the obstacles to the development of new technologies in a country such as ours, which of these seem to you to be the most important ?

	France	Germany	Britain	Italy	Norway	Spain	U.S.	Japan
Our school system	36	10	19	26	15	32	64	25
Our political leaders	14	20	21	37	12	12	35	16
Popular prejudices	47	28	33	32	31	37	17	21
Labour Unions	21	14	43	21	6	6	25	14
Employers	8	8	9	9	3	12	25	7
No opinion/not sure	18	38	10	25	39	27	4	40

Totals over 100, because of the possibility of the multiple answers.

Lombard

Jobless hit by two 'establishments'

By Samuel Brittan

THE UK, even more than other European countries, is afflicted with two economic establishments.

The first is recognised as such. It consists of the macro-economists who constantly fret for a "fiscal stimulus"—jargon for a high Budget deficit.

This establishment was behind the famous protest *against the Government's Financial* Strategy signed by 364 economists in 1981. The Charter for Jobs campaign is its direct descendent.

The Charter's Employment Institute yesterday organised a public lecture for Professor Rudiger Dornbusch, in which the latter called for a UK fiscal stimulus of 3 per cent of GDP.

Professor Dornbusch also mentions suggestions by Weitzman and Meade for making the labour market more responsive to market forces, but in a throwaway final two paragraphs, as *if these* matters were optional extras rather than the heart of any long-term jobs strategy.

This has the effect of leavnig the determination of pay to the second of the two establishments, the industrial relations one, which has more long-term impact on job prospects than any of the policy options discussed by the economic establishment proper.

The industrial relations establishment has been overjoyed that the Commons "Employment" Committee has recommended that Wages Councils should not be abolished.

The Committee's report, which is both physically and intellectually extremely thin, contained nothing to undermine the connection between pay and *jobs or the arguments* for abolition which were given in detail in Economic Viewpoint on May 13, followed by an extensive correspondence in the Financial Times.

The Committee's impartiality, or lack of it, can be seen from the fact that apart from the Employment Minister, the only people from whom it took oral evidence were the Low Pay Unit and—wait for it—the West Midlands Low Pay Unit.

A body entitled the Low Pay Unit, which exists to campaign for higher pay, is no more free to follow the argument and evidence on pay and jobs wherever they lead, than the brewers' organisations can assess the teetotal case or the Masters of the Hounds the case against blood sports.

The Secretary of State, Tom King, sat on the fence on the issue of total abolition, but gave much evidence on the deleterious effect on training as well as jobs of *artificially high* pay for young people. His department's evidence cited several quantitative studies which were brushed aside by the Committee.

One new piece of evidence, since my original Economic Viewpoint, reported in the Committee's evidence, is by Dr Stanley Siebert, which estimates thet the 10 per cent increase in youth earnings relative to adults in the course of the 1970s, cost the young over 200,000 jobs.

Conflict between low paid with jobs and those without

The Committee's handling of economic issues was depressingly familiar. It brushed aside the general economic relation between price and quantity demanded and it was unimpressed by specific cases—such as that of a farmer and landowner I met who was employing *as many* people as possible as a matter of social conscience, but found *his* efforts hamstrung at every turn by the Agriculture Wages Board, which, for instance, insisted that any dwelling he provided should not be valued at more than £1.50 per week, even though rates alone came to far more.

When in response to the quest for "hard evidence" it was offered econometric estimates, the Committee dismissed these because of the inevitable uncertainties and hazards in any such calculations. "Tails I win, heads you lose."

The Committee lists injustice, poverty, industrial relations and "destabilising" product competition, as arguments against abolishing Wages Councils.

It does not mention the greatest injustice of all: that of preventing someone from taking a job at a wage he regards as preferable to *the dole or the* black economy, because it contravenes some official norm.

There is an unavoidable conflict between the low paid with jobs and those without. But the evidence does not support any simple equation of low pay with poverty. It was Richard Layard, *the founder of the Jobs Charter*, who showed that only one in five of the poorest 10 per cent of families are in the bottom 10 per cent of the earnings range—because factors such as family size or numbers of earners per household are more important.

The dissenting note by Peter Thurnham (which should have been printed with the main Committee *report*) *does not* merely recommend abolition of Wages Councils, but a sufficiently comphehensive Family Credit scheme after the social security review *to* permit adequate minimum *incomes* (which are not the same as minimum pay).

But although I am always urging it to do more, it is absurd to say that the Government has done *nothing* to weaken the monopoly power of labour higher up the pay scale. What has been the purpose of the whole series of controversial union laws?

The point about "destabilising competition" embodies the fear of price-cutting by those employers who favour Wages Councils, and has been the cry *of every price ring throughout* the ages. The Committee ignores the observations of the official Employment Research Unit, that if lower pay leads to competitive price reductions, it will automatically produce more jobs overall under the Medium Term Financial Strategy.

The Committee could reasonably have insisted that abolition of Wages Councils should be part of a more comprehensive programme. In simply dismissing the idea out of hand even for the young, without any major alternative suggestions, it was simply opting out of the jobs debate. It deserves no further attention.

Letters to the Editor

Future of the Stock Exchange

From Mr Rik Edwards

Sir,—The debate on the future of the Stock Exchange has not so far touched on the plight of the "second-class members." The council of the Stock Exchange stopped the issue of *shares to new members* from January 10 this year. *This* arbitrary decision, for which it had no mandate from its membership, means that some 140 members will not be able to attend or vote at the crucial extraordinary general meeting on June 4.

The decision was "to avoid speculative distortions in the pattern of applications for membership." It is clear that applications are no bigger than at this stage in 1984, and the way is now open for the council to issue shares to its newest members.

Wherether it will do so is doubtful. The council has shown that it is prepared to be flexible to win the votes of its share-owning membership, as we saw in its abolition of the "tap" price of shares. However, it has been able to completely ignore the views of its most recent members, because it has first disenfranchised them.

It is absurd that the newest members, by definition those with the longest interest in the future of the Stock Exchange, should be denied any part in deciding that future.

Rik Edwards.
Flat 4,
David Court,
200 Lansdowne Road,
London, N17 9XW.

Better protection for the public

From Mr Hugh J. L. Marsden

Sir,—I write to you as an individual Stock Exchange member of some 20 years' standing. I have been an associate member in this period and consider that the market is best served by individuals rather than faceless corporations.

Consequent on this the investing public is better protected as an individual is directly responsible to the Council and the market authorities—and his client.

I shall be voting against the present proposals although I am not against the spirit of the changes, for the one reason that, if passed, the proposals will mean that individual members will not be asked again to vote on any matter of importance.

I am concerned that markets are not fragmented which could lead to more difficulties for the regulating authorities. I feel that the Bank of England should use its influence more widely to consolidate the changes into our system in the London Stock Exchange which is well proven on its efficiency and honesty of operation.

Hugh J. L. Marsden.
29, Abbotsbury Road,
London, W.14.

Fast-breeder programme

From I. Leveson

Sir,—The U.S. Congress has *refused to continue funding* the U.S. fast-breeder nuclear reactor *at Clinch River on the grounds* that it is "commercially unviable." I am astounded that our Government, for all its evident concern to close purportedly uneconomic coalmines, should give its backing so readily to a plutonium reprocessing plant at Dounreay—as part of a European collaborative fast-breeder project which involves commercially unproven technology.

It is remarkable that this venture into the plutonium nuclear fuel cycle, as distinct from the uranium nuclear fuel cycle centred on Sellafield, should be agreed to without parliamentary or public debate. I hope that the Government will be questioned very *closely* on the costs of this project and on the *small* net gains in jobs which may follow it. These *must be set against* the *vast* financial and environmental risks incurred. Surely the continuing cost over-runs and difficulties experienced with the uranium fuel-cycle should be solved before there is any expansion into the use of plutonium fuel?

Indeed, given the glut of uranium supplies, to which the Government itself has admitted, the need for a fast-breeder programme should be questioned before any planning application is made by BNFL and UKAEA to the Highland Regional Council for the Dounreay plutonium reprocessing plant. There needs to be a full public inquiry into the need for any commercial *fast-breeder programme* as well as into the local planning issues.

I. Leveson.
Dept of Geography,
Durham University.

Directors and performance pay

From Mr P. M. Brown.

Sir,—Recent *surveys of* directors' earnings, concentrating on *the chairman of major* public companies, are in danger of sending misleading signals on directors' pay to all those feeling cheated by attempts to maintain private and public pay increases between 3 and 7 per cent.

In Directors' Rewards, published last December and based on a really representative sample of large and small companies, we showed that full-time executive directors enjoyed salary increases of 3.5 per cent and total earnings increases of 6.9 per cent in 1984. Media coverage was muted.

We further asked directors with responsibility *for* agreeing the remuneration of 5,500 board members, half our total sample, what increases they expected in base salaries this year: 68 per cent of those replying forecast 2 to 7 per cent.

While we expect performance payments—now used by about 55 per cent of our employer sample—*to add a further* percentage to this forecast, we *would be very surprised* from the data reaching us each week if executive directors' total earnings, across the whole spectrum of private industry, rise by more than 8 to 10 per cent in 1985.

What recent surveys have highlighted is the increasing differentials between increases for chief executives and that of their board colleagues. *Our* 1984 figures show 20 per cent for *managing directors* and 21 per cent for executive chairmen. *This* situation is *not* unique to the private sector as under secretaries in the Civil Service, up 41.9 per cent, between 1981 and 1984, have enjoyed increases well above the average in their departments.

We are witnessing a re-establishment of merit or performance assessment in all activities. Such systems are on offer to teachers and via the McGraw recommendations to civil servants. *If* they reject them they will doom their members to *static or declining* living standards with the minor consolation that the state collects more tax at 60 per cent if ICI pays Mr Harvey Jones £287,000 and Burton pays Mr Halpern £348,000 than the 45 per cent corporation tax due if the profits stayed in their businesses.

Peter M. Brown.
Reward Regional Surveys,
Mill Street,
Stone, Staffs.

The capacity for getting things done

From Mr J. Stansby.

Sir, — *Anatole Kaletsky*, à propos the years it now takes London Underground to replace escalators and lifts, is right to remind us of the extraordinary deterioration in our capacity to get things done.

This deterioration, perceptible in most aspects of life today, *implies* an *equally* extraordinary management failure, since management, if it is about anything is, above all, about getting things done.

He also points out that the Victorians — the great infrastructure builders — got things done because they were not *hampered* by any of the ideological obsessions so prevalent *today; these focus on* cost benefit criteria to the exclusion of the value judgment which simply says we want our cities to work and we are prepared to will the means to achieve the end.

Certainly, the involvement of more "rascally financiers," and fewer accountants and pension fund *managers, as he suggests,* must be a step in the right direction. But how *do* we get there, how do we jettison all the fashionable intellectual baggage that allows us, to paraphrase Wilde, to know the price of everything and the value of nothing? Why should we not say, for instance, that an efficient public transport system is *a sign of civilisation* and that we will treat this as an *objective* in business *terms* and not a residual by-product of Treasury candle ends?

Such a change of attitude would allow us to create new *facilities* (for which *our* grandchildren would certainly be grateful) but it would not necessarily improve our ability to maintain and renew the services we possess, where it is not money but management that we lack. Both LT and BR regularly fail to spend their capital *budgets*.

So how can we make sure that management is more concerned with getting things done *than with getting things right* ? The Victorian rascals would have closed a *station for* a month and worked 24 hours a day to replace a lift—they might have gone broke in the process but they would have replaced the lift.

The missing ingredients today is initiative and imagination. The "rascally financiers" had both and they knew that the best criticism of a bad job was a good job, not a report.

To quote Barzin, "I grieve to see a system sink into such shabby disgrace for the lack of the same comprehensive imagination that built it." Should we leave all the good tunes to the devil, all the initiative to financiers like Charles Tyson Yerkes who was crooked but who built three Tube lines in four years?

John Stansby.
19 Brook Green,
London, W6.

FINANCIAL TIMES

Thursday May 30 1985

Kathy Evans in Tehran follows the refugees from Iraq's bombers

Iranians take a day trip to safety

IT WASN'T so much a flight to safety – more like hitting a major motorway on a summer holiday weekend.

Every night since "Saddam came visiting again" as the Iranians put it, a daily mass exodus begins from the capital Tehran. The result is a traffic jam which stretches for miles.

The art of the exercise to escape night time Iraqi bombing raids is to leave early. The more organised people leave at 2pm or as soon after lunch as possible. Only then can you be sure of a place by the roadside.

As dusk falls, it seems as if the whole city is on the move, galvanised by a fatalistic outlook and the damage that even a lone bomber pilot can do. On the road out to Lavisan, the jam stretched for 40 kilometers, a young army lieutenant warned me.

"If you think it is bad now," he said, gesturing to the cars stacked three abreast, "think about coming back in the morning."

In all directions out of the city the picture is the same. In the early evening, queues lengthen at petrol stations and tempers shorten. They come in thousands, in ageing Cadillacs, Renaults and Iranian Ford Fiestas, each crammed to the brim with children and babes. The less well-off arrive by motorcycle, wives in chador on the back, babies strapped to the gas tanks.

At the city limits, takeaway restaurants do a roaring trade. For a few miles on, the first signs of kerbside family life can be seen each night. It's an unsightly clutter of pots, shopping bags, nappies, saucepans and blankets. By 10pm, the sophisticated city workers begin bedding down for the night. They are becoming used to their double life of being roadside refugees by night and businessmen and civil servants by day.

Diplomats, too, have joined the exodus. The Japanese, never to be behind anyone, went one better and hired a villa on the outskirts. The group which went up last night have yet to be seen today – hardly surprising, considering the traffic.

The British are blessed with an air raid shelter, a rarity in Tehran. Their only complaint about the raids is that they stopped the evening's entertainment the other night at the weekly Scottish dancing club.

Back at the hotel, the number of guests is dwindling rapidly as, one by one, the foreign businessmen survive the airport scramble and escape. The rest of us have been moved down to the lower floors and issued with candles. "Don't worry, this is an American built hotel," the manager says reassuringly.

Two nights ago an unexpected early raid caught me just about to start a dinner of kidneys in mustard sauce in the roof restaurant. I joined the crowd of diners, clutching chador and candle down 14 floors to the safety of the lobby. There, a visiting Lebanese businessman was boasting that in his country the war was much more manageable.

"At least we have booze, valium, hashish or cocaine – whatever you want," he declared. That set everyone's appetite going for a large scotch, alas not available legally in the Islamic Republic. One of the hotel's employees, once the establishment's cocktail barman in far off days, jokingly apologised for the lack of relaxants in such nervous times.

As the bombs dropped nearby, the German businessmen began talking business, swapping cards, while others began plotting their exit from Iran overland with a Turkish freight forwarder who wandered in with his candle to join the lobby gathering.

The war between Iran and Iraq has always been characterised by an absence of hatred between the two peoples, even during the times when civilian areas are attacked. But after the second night of bombing there was a detectable air of impatience with the Government over the lack of hard-hitting retaliation.

When the long-promised missile finally did come, it was a bit of a let-down, because the Iraqis – like their enemy – do not disclose details of damage. To assure the people that it had an endless supply of new missiles, the Persian papers on Wednesday published a picture of the missile which hit Baghdad. Diplomats are fascinated by the picture. "It looks more like Concorde taking off in fog," one said.

No one knows the full extent of the human tragedies which have occurred in the wake of Iraq's bombing raids on the capital. The authorities will not allow journalists near the devastated areas, which leads many to believe that casualties are higher than officially estimated. That particular order has caused a minor revolt in Tehran's foreign press corps who are now considering a boycott of government "events."

There have been no air raids since an early Wednesday morning attack on Tehran by the Iraqis. But nevertheless, the exodus has already started because the artillery activity on the front will surely invite another visit by Saddam tonight, Tehranis argue.

In the meantime, Mehdi Bazargan, considered the chief opposition leader to tha Government, announced his candidacy for the presidential elections this week. But given the bombings, the announcement was barely noticed.

THE LEX COLUMN

A sweetener from Tate & Lyle

Even in its rather tighter form nowadays, Tate & Lyle remains a group that makes both sugar cubes and minesweepers; and in the six months to March, its businesses went on behaving with all the discipline of an end-of-term school outing. Yet after expelling the usual above-the-line provisions and credits, Tate does seem to have survived a miserable half for sugar refining with £1m more in taxable profit than last time. This was a good performance even if three months of making automobile sun-visors for Detroit proved the stoutest cyclical defence.

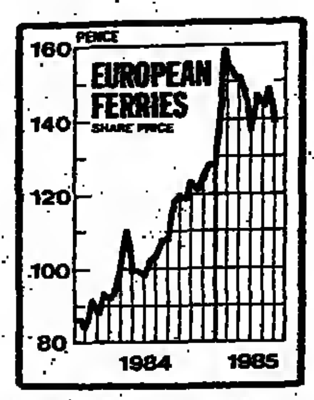
If the Brooke Bond failure may have dulled Tate's appetite for a large UK acquisition, it judged the U.S. cyclical downturn well enough to pick up cheap sugar-processing capacity. This has left scarcely a ripple in the balance-sheet and looks sound policy. As much as 1m tonnes of rival U.S. refining may well close, and by next year Tate should enjoy an additional earnings stream of $10m or more – as well as the leisure truly to think about what to buy.

Tate had less good fortune in judging the low point for raw sugar, but an extra provision against the sugar reserve would not make much difference to pre-tax profits for the year of, say, £75m. Tha key to that figure will be UK refining. The April price increases may have signalled a truce in the price war, but British Sugar could start cutting throats again if market conditions require it. Uncertainty here may justify the caution in the share price, which closed unchanged on the day, and, come to that, six months ago.

Lloyds

By drawing together its merchant banking strands into one fabric, Lloyds Bank will at least be able to present a united front to potential clients. But it is still holding back from the investments its competitors have made in the Big Bang stakes, with neither a broker nor a jobber to its name. Although ideally it might prefer to do nothing while its rivals make mistakes, it could not resist the temptation, as part of the tidy-up, to sink £25m into a gilt primary dealership to add to its existing bond market activities.

Lloyds may well have the last laugh if in a few years' it watches its rivals absorb heavy losses from their equity market-making operations, or at best making only minuscule returns on their expensive acquisitions. Alternatively, it may find that it has been left too far behind to catch up. Either way, yesterday's news gave the impression that the bank slightly lacks the courage of its scepticism. If it really believes that nobody will make money – initially, at least – in the new-look securities markets, it might have been wiser, and certainly cheaper, to settle for a mere broker-dealership in gilts.



European Ferries

The speed of Euroferries' footwork in expanding since its capital reorganisation last year has now brought it up against the barrier of its balance sheet. Opportunistic but justifiable spending – on the P&O cross-channel business, as well as a couple of freighters and an office property in Denver – has made the outflow of cash over the next year or two rather more formidable than was perhaps planned. With heavy commitments to spend on new ships, not to mention the expansion of old ones, it looked as if Euroferries was heading for net gearing of not much less than one-to-one.

The answer, in the form of a convertible rights issue, should plug the cash gap very neatly; with an extra £70m of equity in hand, it should be possible to press on with the growth plans and keep peak debt to around half of shareholders funds. If things work out reasonably, the initial cost of the preference dividend should be covered by the after-tax income generated by the investment being funded – until the conversion date arrives, by which time earnings should have started to respond to the cash that is being applied now. Of course, Euroferries is also treating the reinforcement of its balance sheet as – among other things – a springboard from which to jump out in directions so far not yet decided; but at present the City is probably confident enough in the management to underwrite that freedom. The shares fell only 3p, to 139p.

Fiat

If only British Leyland were as profitable as Fiat, the UK Government could be a billion or two pounds the richer in privatisation revenues. Not only is Fiat one of the few European volume manufacturers to be in the black; yesterday, it announced 1984 consolidated net profits more than doubled to L627bn (£253m) and dangled the prospect of an even better result in 1985.

It is the car division that is making most of the running. There profits trebled to L235bn on a volume increase of just 2.8 per cent. All the money that Fiat has ploughed into production efficiencies since 1980 is feeding through – now that the group workforce is reduced by a quarter, each factory worker produces 28 cars a year instead of 14. The revival has also been helped by better products; the Fiat Uno, in particular, has been highly successful in the competitive super-mini market.

The industrial vehicle market is still sticky, with losses increasing at Iveco. But if that division breaks even this year – as Fiat's managing director promises – the whole group could indeed move into overdrive.

Tarnished gilts

To avoid the distorted market in gilt-edged which resulted from the Inland Revenue's pre-budget swoop on bond-washing – which the London markets took as a hint of capital gains tax reform – the Treasury has ruled out a similar manoeuvre next year. Instead, unpleasant decisions by the tax authority's lawyers will be held over, like substantive reforms, for the budget itself. But the chances are that this piece of clarification could make life rather hard for the Government Broker next February. The market might suspect that budget changes could make some issues unattractive.

Renault to axe 18,000 jobs

Continued from Page 1

the division's workforce down to 88,000 at the end of this year from a staff of 98,000 at the end of last year. The company is now hoping to reduce the workforce of the car division by a further 8,000 people next year, bringing the total to about 80,000 by the end of 1986.

The group is expected again to avoid compulsory redundancies next year and is hoping it will be able to cut its workforce through voluntary incentives, including repatriation allowances for immigrant workers and early retirements.

At Renault Vehicules Industriels (RVI), the large truck subsidiary of the state group, workers are offered two alternative employment choices either within the Renault group or in another subsidiary before being made redundant. RVI, which is also relying on early retirements and voluntary incentives, wants to cut 2,550 jobs between now and March 1986 to bring its workforce down to 22,300 people.

The pro-Socialist CFDT union said last night that Renault was negotiating measures with the Government that would enable car workers to apply for early retirement at the age of 54 rather than the present 55. That would help Renault in its efforts to avoid compulsory redundancies.

Various union sources also claimed that Renault planned more than 8,000 job cuts next year and that the total cuts for 1986 might be as high as 10,000 to 11,000. That would bring the overall job losses at Renault's car division to 21,000 between now and the end of next year.

Renault is also planning investments of about FFr 8bn this year compared with group investments of FFr 9.9bn last year. The reduction in investments will mainly hit subsidiaries, since Renault does not intend to cut productive investments for its car range. Renault's net cash needs are said to total about FFr 24bn.

The company is also striving to cut costs in North America, where it owns 46 per cent of American Motor Corporation (AMC). Renault's U.S. affiliate is involved in delicate negotiations with the unions to seek concessions from its workers.

At the same time, Renault yesterday said it had no plans at present to invest in a new car plant in Quebec, although authorities in the French Canadian province have recently been pressing the French company to build a plant there. AMC already is involved in heavy investments in Ontario, where it is building a plant to produce a new car for the U.S. market in 1987.

Gorbachev 'expects little' from new Geneva arms talks

BY PATRICK COCKBURN IN MOSCOW AND OUR FOREIGN STAFF

MR MIKHAIL GORBACHEV, the Soviet leader, has told two senior West European leaders visiting Moscow that he expects little to emerge from the second round of the Soviet-U.S. disarmament talks which start in Geneva, today.

Mr Gorbachev emphasised to Sig Bettino Craxi, the Italian Prime Minister, and Mr Willy Brandt, the former West German Chancellor, both of whom are visiting Moscow, that U.S. determination to pursue the star wars Strategic Defence Initiative makes it impossible to achieve progress at Geneva.

Speaking at a Kremlin banquet for Sig Craxi last night, Mr Gorbachev renewed a 30-month-old Soviet offer to reduce European-based missiles but made clear that this depended on Washington scrapping its star wars plan.

It appears, he said, that the U.S. planned to "push through at all costs its plans to develop space strike arms."

"The price for this, however, may be not only the subversion of the Geneva talks, but the scrapping of every prospect for an end to the arms race," Mr Gorbachev said.

The late president Yuri Andropov first offered in 1982 to reduce the level of Soviet SS-20s to that of French and British land-based nuclear weapons.

This was rejected by the U.S. and Nato, which argued that French and British weapons could not be included in a deal on the pending deployment of U.S. cruise and Pershing missiles in Europe.

Mr Gorbachev last month announced a temporary freeze on the deployment of new SS-20s. His statement last night was the first public confirmation that the old offer stood.

Moscow has repeatedly accused the U.S. of bringing substantive negotiations to a halt by refusing to discuss star wars. Soviet commentators say the U.S. agreed in January to negotiate on weapons in space, and intermediate and strategic weapons but has since backed away from this understanding.

Mr Brandt, in a studiously neutral and very generalised account of his discussions with the Soviet leader, veered somewhat towards Moscow's explanation for the impasse in Geneva by saying that the superpowers needed to return to the original agreement to discuss the three issues simultaneously.

Sig Craxi, said that star wars should not be allowed to paralyse negotiations although he added be could "understand the Soviet Union's legitimate concern in this matter." He said that the Soviet side demanded a resolution of the star wars problem now.

The Italian Prime Minister said yesterday that Mr Gorbachev said to him: "Put yourself in my shoes. What would you do?" Sig Craxi replied: "You should do what you do best: negotiating."

Asked about his impression of the new Soviet leader, Sig Craxi said: "He is concrete, without any poetic flights, but rather passionate. He warmed up as the talks went on which is not a bad feature because cold fish are dangerous."

The tone of Sig Craxi's talks with Mr Gorbachev was friendly and the Kremlin appears generally pleased by the outcome of the discussion according to the report of the state news agency, Tass.

There was only limited mention during the talks, which lasted almost four hours, of Italy's $2.5bn deficit with the Soviet Union from which it imports gas and oil. Moscow has promised to award more contracts to Italian companies.

● The Soviet Interior Ministry has drafted 55,000 members of the Communist Party into the police, and other law enforcement bodies, to try to reduce crime, Mr Gorbachev has repeatedly promised greater discipline and a crackdown on corruption in the Soviet Union.

Geneva arms talks' positions, Page 3

Canada to sell some shares in corporation

By Bernard Simon in Toronto

THE CANADIAN Government is to take a significant step towards privatising its extensive commercial interests by selling the bulk of its shares in Canada Development Corporation, a holding company with interests in energy, sulphur, mining, petrochemicals and office information products.

Mr Sinclair Stevens, the Industry Minister, said yesterday that 23.8m of the Government's 30.7m CDC common shares would be sold to the public later this summer through a group of Canadian securities firms, led by Burns Fry of Toronto.

Based on CDC's present share price on the Toronto stock exchange, proceeds of the sale will amount to about C$295m ($215m).

The Government presently owns 83 per cent of CDC's common shares. Together with investments in preferred shares, it holds 47.1 per cent of voting rights in CDC. The sale will reduce the Government's voting interest to 10 per cent.

Mr Stevens said that purchases by foreign investors will be limited to 25 per cent of CDC's voting shares, with any one foreign investor restricted to a 10 per cent holding. The proposed curbs are similar to those applying to foreign ownership of Canadian banks and investment dealers. According to Mr Stevens, they are required to maintain "the unique Canadian nature of the company."

The maximum holding of any single Canadian investor will be set at 25 per cent. Besides the Government, no local investor currently owns more than 3 per cent of CDC.

Ottawa is also looking for buyers for several other state-owned companies, including tha two aircraft manufacturers, de Havilland and Canadair, and Eldorado Nuclear, a uranium producer. It has had inquiries from more than a dozen interested parties, including a number of foreign companies.

Mr Stevens said that the CDC sale "reflects our view that the Government should not be involved in the ownership or operation of commercial enterprises which perform no public policy role."

With assets of C$8.7bn, CDC is Canada's 20th largest industrial company. Its subsidiaries include Polysar, the world's largest synthetic rubber producer, Kidd Creek Mines and Canterra Energy. A venture capital subsidiary last year helped a group of local investors buy the Canadian unit of American Can.

The group returned to profitability in 1984 with earnings of C$81.1m after losses totalling C$160m in the previous two years. Long-term debt stands at C$4.3bn.

Schmidt enters SDI battle

BY RUPERT CORNWELL IN BONN

HERR Helmut Schmidt, the former West German Chancellor, has entered the debate raging here over participation in the U.S. Strategic Defence Initiative (SDI) by urging the Bonn Government to shun the scheme, and concentrate on the priority task of improving its frayed relations with France.

His views, set out in identical letters to his successor, Chancellor Helmut Kohl and the leaders of other parties (with the exception of the radical Greens), became known hours after the end of the Konstanz summit between Herr Kohl and President François Mitterrand, whose outcome was at best inconclusive.

They stand in some contrast to the strenuous official efforts to show that all is well between Paris and Bonn, in the run-up to the important European Council meeting of EEC leaders in Milan at the end of June.

The Bonn Government yesterday sharply rejected French press accounts of the Konstanz meeting, as sealing the collapse of the so-called Paris-Bonn axis. Herr Jürgen Sudhoff, a government spokesman, insisted that the talks had dealt far more extensively with preparations for Milan and the need to strengthen European integration than with the well-known differences between the two countries on SDI.

It is becoming increasingly clear that West Germany is trying its utmost not to see any conflict between involvement in the space-based SDI initiative, and the purely European Eureka project for technological co-operation which France put forward in April.

According to Herr Sudhoff, Bonn is now examining both, not least from a financial standpoint. He left little doubt that West Germany will be taking its time before committing itself to either or both, and then only after careful consideration.

Quite what will be the impact of Herr Schmidt's stricture is not clear, and officials close to Chancellor Kohl emphasised yesterday that the fears of his predecessors to some degree are shared by Herr Kohl – and indeed were tackled at Konstanz.

Apart from constituting one of the most visible political forays by Herr Schmidt since he lost power in autumn 1982, the letter has attracted attention because of its affinity with the apparent feelings of Herr Hans-Dietrich Genscher, the Foreign Minister, who has not hidden his leanings towards Eureka and deep misgivings about the whole SDI concept.

Herr Schmidt, whose close relationship with former French President Valery Giscard d'Estaing marked a highpoint in recent Franco-German ties, repeated his assertion that only if West Germany stood "shoulder to shoulder" with France would it best defend its interests in the world.

In a barb at Herr Kohl, he complained that "ceremonial gestures" were no substitute for the failure to develop European monetary co-operation or a joint trade, currency and technology policy. Bonn, said Herr Schmidt, had to show readiness to compromise with Paris, and would have to commit large sums to Europe.

For that reason, he argued, it made little sense to divide already limited resources between working with the U.S. and with France. Factors in favour of Eureka were the lack of any urgency to give a formal reply to the SDI offer from Washington, and the small likelihood that the U.S. would in fact heap special technological favours upon participants in its scheme.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	27	72	Dubrovnik	S	23	73	Malaga	F	22	72	Salzburg	C	15	59
Akrotiri	F	24	75	Faro	F	21	70	Malta	C	28	82	Seoul	S	22	72
Algiers	C	22	72	Florence	F	23	73	Manila	S	36	97	Singapore	F	32	90
Amsterdam	C	15	59	Frankfurt	R	13	55	Miami	S	24	75	Stockholm	S	27	81
Athens	S	26	79	Funchal	C	20	68	Milan	S	25	77	Strasbourg	R	15	59
Bahrain	S	34	93	Geneva	C	16	61	Moscow	F	25	77	Sydney	F	20	68
Bangkok	S	32	59	Gibraltar	F	21	70	Munich	C	18	64	Taipei	R	25	77
Barcelona	S	23	73	Guernsey	F	15	59	Nairobi	F	21	70	Tangier	S	25	77
Beirut	S	27	81	Helsinki	S	25	77	Naples	F	24	75	Tehran	-	—	—
Belgrade	T	21	70	H. Kong	C	27	81	New Delhi	S	40	104	Tel Aviv	S	25	77
Berlin	C	17	63	Innsbruck	F	21	70	New York	C	16	61	Tenerife	S	24	75
Biarritz	C	21	70	Inverness	F	14	57	Nice	S	21	70	Tokyo	C	16	61
Blackpool	S	14	57	Istanbul	F	23	73	Oporto	R	16	61	Toronto	S	10	50
Bordeaux	S	23	73	Jersey	C	16	61	Oslo	C	15	59	Tunis	F	20	68
Brussels	S	16	61	Jo'burg	S	16	61	Paris	C	19	66	Valencia	S	24	77
Budapest	F	25	77	Las Palmas	S	26	79	Prague	F	20	68	Venice	S	25	77
B. Aires	C	24	75	Lima	S	19	67	Reykjavik	F	5	41	Vienna	C	24	75
Cairo	S	29	84	Lisbon	R	14	57	Rio de J'o	S	30	86	Warsaw	C	12	54
Cape Town	S	19	66	Locarno	F	23	73	Rome	C	23	73	Zurich	C	14	57
Caracas	C	28	82	London	S	18	64								
Casablanca	-	—	—	Los Angeles	F	14	57								
Copenhagen	F	17	63	Luxembourg	F	15	59								
Corfu	S	26	79	Madrid	F	23	73								
Dublin	F	14	57	Majorca	S	24	75								

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Logica seeks Star Wars contract

Continued from Page 1

has proposed, instead, a pan-European research project – Eureka – which would direct research in areas such as computing, lasers and materials toward commercial rather than military goals.

Logica is talking to the Pentagon with the full knowledge of the UK Defence Ministry, said Dr Dain. The company does not wish to disclose the details of the work for which it is bidding.

The contract is likely to involve studies on the creation of the millions of lines of coded computer instructions that would be required to direct weapons such as laser guns in an operational anti-missile defence.

Logica has built up experience in providing software for military systems as a result of contracts with Nato and the Defence Ministry.

Dr Dain said he hoped to hear from the Pentagon on whether Logica has won the contract in the next few months.

"This would be the first piece of a bigger study contract. We see the work as a way of getting into the SDI programme and using key elements of European technology."

According to Dr Dain, direct discussions with the Defense Department, rather than attempts to join U.S.-led commercial consortia, represent the best way for European companies to participate in star wars.

"U.S. industry sees the project very much as an American programme and has no motivation to involve European companies."

Lt-Gen James Abrahamson, director of the Pentagon's Strategic Defence Initiative Organisation, is due to visit Britain shortly to talk to British companies that are interested in joining the programme.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main.

هكذا من الأصل

FINANCIAL TIMES
Thursday May 30 1985

Fiat doubles profit as restructuring continues

BY ALAN FRIEDMAN IN TURIN

FIAT, Italy's largest private-sector group, yesterday unveiled more than doubled consolidated net profits of L627bn ($317m). The profit was struck on group sales of L23,813bn, a rise of 8.3 per cent.

The sharply-improved results were achieved in what Sig Cesare Romiti, Fiat's managing director described as a difficult year. Sig Romiti said the European economy last year was largely stagnant and Italian interest and inflation rates were still well above levels in other European countries.

The consolidated results of Fiat – 30 per cent owned by the Agnelli family – and the net profit of L306bn (43 per cent up) of pareot company Fiat SpA, represents an impressive improvement for a group which since 1980 has been engaged in major restructuring.

Sig Romiti said yesterday the rationalisation programme, which has seen the number of Fiat group employees fall from 301,566 in 1981 to 230,805, was "a painful process which is not yet finished."

Sig Romiti shied away from ruling out an agreement in 1985 between Fiat and Ford of Europe for a joint venture. However, Sig Gianni Agnelli, Fiat chairman, said last week an agreement would not take place "this year." Sig Romiti said negotiations were long and difficult and agreement was "not imminent."

Fiat Auto, which with L12,878bn of sales last year accounted for 54 per cent of group turnover, increased its profit last year to L235bn against L80.6bn in 1983. The car division produced 1.4m vehicles last year, a rise of 2.8 per cent, and said its share of the European car market rose to 13.4 per cent in 1984, from 12.7 per cent the year before.

But the higher Fiat Auto profit was cancelled out by a dramatic increase io losses at the Dutch-registered Iveco industrial vehicles division which, with L4,590bn of sales, accounted for just under a fifth of group turnover. Iveco, which in 1983 plunged into a Fl 232.6m ($66.5m) deficit, last year saw the losses mount to Fl 395m. Sig Romiti said Iveco would break even this year.

Fiatallis, the earth-moving equipment subsidiary which in 1983 suffered a $41bn loss, managed a $5.1m profit last year.

Fiat's tractor division, which recorded sales of L1,950bn (up 12.4 per cent) achieved a 1984 profit of L16bn, against L14.4bn in 1983.

The Comau factory automation subsidiary made a profit of L11.7bn, against L10.3bn the year before. Sales rose 25 per cent to L580bn at Comau. The Teksid metallurgy division, although having achieved a L13.2bn profit on L945bn of sales, recorded a loss of L14.6bn after taking into account the losses of subsidiaries. This was down on the 1983 loss at Teksid of L48bn. Teksid's Brazilian subsidiary made a profit for the first time last year of 27bn cruzeiros.

Group operating profit rose by 73 per cent to L1,865bn, after L1,459bn of depreciation charges. The pre-tax group profit was L870bn, against L376bn in 1983. Fiat is proposing a L110 dividend, a 22 per cent rise after adjusting for last year's major share issue.

Lex, Page 28

Consob's market powers extended

By James Buxton in Rome

CONSOB, the Italian stock exchange regulatory authority, has finally been given powers it has insisted for years were necessary for it to act as an effective watchdog of Italy's capital markets.

A parliamentary bill approved late last week strengthens the authority's position in legal and practical terms and lays down new rules for the sale of shares outside the stock market, and for the disclosure of the ownership of holdiogs in banks.

Approval of the law is a major victory for Sig Franco Pica, president of Consob, who took over last year. His predecessors had repeatedly failed to summon the necessary political support for the measure aimed at making Consob effective and, as a result, the institution bas had an unhappy history since its establishment in 1974.

The new law establishes Consob as an independent body which is no longer subordinate to the Government. It also gives it powers to control publicly quoted companies which were previously exercised by the Ministry of the Treasury.

Consob will at last be able to build up its own staff and pay them salaries equivalent to those paid by the Bank of Italy, the central bank, instead of the low pay scales set by the Italian civil service. Up to now Consob has been understaffed and unable to attract high-calibre personnel.

The law lays down that any shareholder who builds up a stake of more than 2 per cent in a bank must tell the Bank of Italy of his identity. This long-awaited provision is designed to avoid a repetition of the Banco Ambrosiano scandal of 1982, in which Sig Roberto Calvi and others used shell companies to build up stakes io the bank without the authorities being aware of who controlled them.

The law also sets new standards for the sale of share certificates oo a "door-to-door" basis outside the stock exchange. A number of investment funds were built up in this way earlier in the decade without the authorities being in a position to control them and protect the small investor.

Stock exchange report, Page 37

POLITICAL OBSTACLES PREVENT DECISIVE VOTE

Klöckner steel merger delayed

BY PETER BRUCE IN DUISBURG

SHAREHOLDERS in Klöckner-Werke, one of West Germany's biggest steel producers, are likely to be called to an extraordinary meeting later this summer to vote on Klöckner's planned merger of its steel business with a major competitor, Krupp Stahl.

Despite being delayed almost three months, the regular annual shareholders' meeting yesterday failed to vote on the move after it became clear major political obstacles were still blocking the deal.

The merger would group assets worth DM 1.5bn ($480m) including a 35 per cent participation by the Australian mining giant, CRA.

Dr Herbert Gienow, Klöckner-Werke's chairman, told shareholders he hoped an extraordinary meeting could be convened sometime later in the summer. He said the government of Lower Saxony was still blocking payment of DM 75m – part of restructuring aid promised to the group two years ago – because Klöckner planned to close the Georgsmarienhütte works in the state as part of rationalisation measures accompanying the merger.

Lower Saxony was to pay DM 25m of the aid. The remaining DM 50m was to have come from the Bonn Government which has also refused to pay until Lower Saxooy agrees to fund its portion.

The merger plans envisage total cuts of 2m tonnes a year in rolled steel capacity.

Lower Saxooy, run by a conservative Christian Democrat (CDU) administration, goes to tha polls next year. The federal government, also CDU-led, and Hanover have been unsettled by rising job losses in the state.

The humiliating defeat meted out to the CDU earlier this month in North Rhine-Westphalia by the Social Democrats (SPD) has also hardened opposition to the closure of Georgsmarienhütte.

This opposition is unlikely to have been weakened yesterday when Dr Gienow, in answer to a shareholder's question, said it would not be possible to close the works if the merger plans collapsed and Klöckner was forced to restructure on its own. He said the group did not have the facilities to absorb Georgsmarienhütte's capacity, which would be taken over by a Krupp works.

Nevertheless observers believe that, by holding out the prospect of a further shareholders' meeting this summer, Dr Gienow may feel a solution to the political problems is within his reach.

Pressure on the prospective merger partners – particularly the two heavily indebted German producers – to get the merger working, is now intense. Steel sales receipts are already being booked, backdated to January 1 by the partners in the prospective new company.

Dr Gienow is particularly keen to distance Klöckner-Werke steel operations from the group's growing and increasingly profitable packaging machinery and plastics technology businesses.

Klöckner lost DM 201m in steelmaking last year, although profits downstream cut overall steel losses to just below DM 150m. Overall the group broke even but only after a controversial measure in which some steel assets were sold to unconsolidated subsidiaries.

Dr Gienow said, however, that the steel business had traded profitably for the first half of the current financial year, and he expected to make an operatiog profit in steel for the year as a whole.

Anti-trust setback for MCI seen as victory for AT&T

BY PAUL TAYLOR IN NEW YORK

MCI Communications' stock continued to drop in early Wall Street trading yesterday in the wake of a Chicago jury decision to slash an earlier anti-trust damages award against American Telephooe and Telegraph (AT&T) and the Bell telephone operating companies.

The jury decision, which reduced a $600m award made in 1980 to $37.8m, was seen on Wall Street as a serious legal setback for the Washington-based cut-price loog-distance telephone group in its 11-year court battle to win damages from AT&T in a long-running anti-trust case.

Uoder U.S. law any fioal damages award will be trebled, but nevertheless the jury decision falls short of the $5.8bn MCI had sought in compensatioo for estimated lost profits and was significantly lower than the $250m to $1bn award Wall Street analysts had expected.

Yesterday several analysts described the award as "a clear victory for AT&T" although they also ooted the decision was unlikely to have any major adverse long-term impact oo MCI.

The company has more than $1bn in cash and marketable securities, it is rapidly expanding its telephone network and it is emerging as the chief challenger to AT&T in the highly competitive U.S. long-distance market.

Nevertheless MCI's shares fell an extra 50 cents yesterday in early trading having closed $1.75 down at $8.125 on Tuesday in the wake of the Chicago verdict.

In sharp contrast, AT&T's stock gained 87.5 cents to $24.125 on Tuesday but lost some of its gains in early trading yesterday.

The MCI group brought its civil suit against AT&T and the Bell operating companies in March 1974 alleging the U.S. telephone giant used monopoly practices between 1972 and 1974 to try and put the Washingtoo group out of business.

In an initial verdict in 1980 a jury found the defendants guilty of a number of anti-trust law violations and awarded MCI the $600m in compensation – an award which would have risen to $1.8bn under the treble-penalty provision.

However, in 1983 AT&T successfully challenged the level of the award on appeal.

MCI expressed "disappointment" about the level of the latest award and chairman Mr William McGowan said the group might appeal.

Borregaard shareholders block merger

By Fay Gjester in Oslo

AN AMBITIOUS plan for a merger of two leading Norwegian companies – Kosmos and Borregaard – appeared yesterday to have been thwarted by three of Borregaard's largest shareholders.

The three – Orkla Industrier, the Bergesen shipping company, and a property group – said they had turned down offers from Kosmos for their holdings in Borregaard. Kosmos had bid for these stakes – plus those held by two other companies – in the hope of securing support for its merger scheme.

Trading in the shares of both Borregaard and Kosmos remained suspended on the Oslo Stock Exchange yesterday. The merger plan became known in the market on Tuesday. A stock exchange official said the suspension might continue today

Interest costs curb Hudson's Bay recovery

By Bernard Simon in Toronto

HUDSON'S BAY Company, the troubled Canadian retail, property and fur trading group, reduced losses to C$56.2m ($41m), oc C$2.58 a share, in the three months to April 30. A year earlier losses were C$62.3m or C$2.85.

A marked improvement in operating results was offset by a rise in quarterly interest charges from C$40.3m to C$62.4m. Borrowings increased in the wake of a deteriorating cash flow. Debt stood at C$2.28bn at the end of the 1984 fiscal year on January 30.

The company suffered a negative cash flow of C$680.2m last year, compared to an inflow of C$487.9m in 1983.

The company unveiled plans at the annual meeting to improve performance at its ailing department store chains, notably Simpsons, which posted a C$7.8m loss in the first quarter, and the Bay, with a loss of C$15.5m.

The recovery plan includes store closures, more centralised services and a greater emphasis oo fashion items. Simpsons expects its expenses to decline by C$40m this year.

SE Banken warns on monetary policy

BY KEVIN DONE IN STOCKHOLM

SKANDINAVISKA Enskilda Banken (SE Banken), Sweden's leading commercial bank, warned yesterday the recent drastic tightening of Swedish monetary policy would have a "strongly negative" impact on its profitability this year.

Group operating profits dropped by 3 per cent in the first four months of the year, while profits of the parent bank fell by 12 per cent as the squeeze oo interest earnings tightened.

Interest rates in Sweden have been rising since the beginning of the year, but the big jump came on May 13 when the Riksbank, the Swedish central bank, raised the discount rate by 2 percentage points and lifted the penalty rate by 2½ points to 16 per cent.

The jump in money market rates reduces profits by SKr 50m to SKr 60m ($5.5m to $8.7m) a month, the bank said yesterday.

The bank said it was "meaningless" to make any forecast for the full year, given the uncertainty of interest-rate development during the rest of the year.

The SE Banken group's operating profit totalled SKr 806m in the first four months of the year against SKr 830m in the corresponding period last year. The operating profit of the parent bank fell to SKr 643m from SKr 731m the year earlier.

The recent Riksbank measures have increased the bank's funding costs and further limited the growth in lending volume to only 2 per cent. The bank said it was only possible to a limited extent to increase income to cover the higher costs.

The bank holds large portfolios of priority state bonds at fixed interest rates and faces considerable book losses if interest rates are still so high at the end of the year.

SE Banken, along with other commercial banks, tried to minimise the damage of the recent central bank credit squeeze by increasing lending rates well above the jump in the discount rate, but was forced to back down by heavy political pressure from the government.

Time launches joint bid for Warner-Amex

By Paul Taylor in New York

AMERICAN Televisioo and Communications (ATC), a unit of Time, the U.S. publishing and entertainment group, and Tele-Communications (TCI), the two largest cable television operators in the nation, yesterday bid $750m in cash for Warner-Amex, the loss-making cable television joiot venture between Warner Communications and American Express.

Under terms of the joint bid, which would also involve taking oo Warner-Amex's $500m to $550m debt, the Warner-Amex unit will be run as a separate joint venture – an apparent move to head off possible anti-trust problems.

Last year the group posted a pre-tax loss of $94m against $150m in 1983, and net losses fell to $25m from $99m on revenues which grew to $573m from $438m a year earlier.

Thomson lifts earnings

By Our Toronto Correspondent

INTERNATIONAL THOMSON, the publishing, travel and energy group controlled by the Canadian Thomson family, lifted earnings to £12m ($15m) or 4.1p per share, in the three months to March 31 from £9m or 3.1p a share a year earlier.

Sales advanced by 22 per cent to £423m.

The company said that its publishing interests in Britain and North America "continua to make good progress." Although the travel division's first quarter performance was above expectations and ahead of 1984 results, fower passenger volumes later in the year are likely to depress earnings.

SKF cleared to buy Spanish associate

BY DAVID WHITE IN MADRID

SKF of Sweden yesterday received approval from the Spanish Government to take full control of the loss-making SKF Espanola from the state holding company Instituto Nacional de Industria (INI).

The agreement marks the first in a series of expected sales of state-controlled Spanish companies to foreign interests. Volkswagen of West Germany is close to concluding negotiations for the takeover of Seat, the car producer with which it already has close ties, while General Motors of the U.S. has been holding discussions over the public-sector lorry manufacturer Enasa.

The Swedish group, which previously held only 3 per cent in its Spanish ball-bearings associate, will take up the remainder of the shares for a total cost of about Pta 2.6bn ($14.9m).

The move has been made in two stages, starting with a capital increase in which the Swedish company provided the major share, largely through the conversion of credits into equity. This would have given it 51 per cent control. The two shareholders' recently agreed on the transfer of INI's remaining 49 per cent holding at par value.

With this deal, INI will have pulled out completely from the ball-bearings industry, after liquidating its other company in the sector, Soler Almirall.

SKF Espanola has two factories and employs about 1,000 workers.

INTERNATIONAL BONDS

Qantas taps Euromarket for $140m

BY MAGGIE URRY IN LONDON

INVESTORS in the Eurodollar bond market began taking profits yesterday, but syndicate managers are confident of bringing fresh bond issues soon. Inventories of newly issued paper have been run down, leaving space on traders' books for more new deals.

Qantas Airways made its debut in the Euromarkets yesterday with a $140m 10-year issue led by Banque Paribas. The bonds, which are guaranteed by Australia, and thus have a top quality credit rating, heve a 10⅛ per cent coupon and 100¼ issue price. The proceeds are being swapped.

The issue traded comfortably within its 2 per cent fees, with strong demand from Swiss investors.

A $100m issue from Nordic Investment Bank was reported to be selling well, with good demand seen from the Middle East although Salomon Brothers, supposedly boycotted by Arab investors, is in the syndicate.

The deal, led by Morgan Stanley, has a seven-year life with a 10½ per cent coupon and 99¾ issue price. It is partly-paid with $17¾ due in July 1985 and the other $82 on July 2 1986 – meaning that investors get interest on their initial investment only for the first year, a feature thought unattractive by some traders.

BHF Bank bond average		
May 29		Previous
102.609		102.554
High	1985	Low
102.860		99.840

However, the borrower is able to arrange an attractive swap into floating rate funds – suggested by some to get funds at ½ point below London interbank offered rate (Libor). If that is the case there could be a flood of other borrowers hoping to achieve similar terms. The NIB deal was trading within the 1⅞ per cent fees at a discount of around 1⅛ per cent to issue price.

Late in the day Morgan Stanley launched a $125m issue for Olympia & York, the Toronto property group which has just bought a 49 per cent stake in Gulf Canada. The issue is backed by a surety bond from Aetna Casualty. The bonds have a five-year life and a 10⅛ per cent coupon. Issue price is par.

Eurodollar fixed-rate bonds slipped by ¼ to ⅜ point yesterday with trading quieter than on Tuesday.

Floating rate note traders watched the drop-lock issue of VO Power, the Finnish group, drop sharply as the interest rate was locked for the final six years of its life at 9 per cent. The bonds were issued in 1979 and were one of only two drop-lock deals done. The terms specified a coupon of ¼ per cent above six-month Libor unless, on a coupon fixing date, that formula gave an interest rate of 9 per cent or less, as it did yesterday. As a result the issue, due for repayment in 1991, now fixes at 9 per cent and the price fell yesterday from the mid-90s to around 85 as it was handed over to straight bond traders' books.

Wood Gundy was busy in the Euro-Canadian bond market yesterday, launching two issues. First Genstar, the financial company, raised C$75m through a 10-year, 11¾ per cent issue priced at par. Then City of Winnipeg launched a C$50m deal with a five-year maturity and a 10⅛ per cent coupon at par. The Genstar bonds were trading just within their 2½ per cent fees, while the Winnipeg deal came too late to trade actively.

Continental European bood markets were still quiet yesterday, although the D-Mark Eurobond market took heart from the improvement in New York on Tuesday and prices gained ⅛ to ¼ point.

In the Swiss franc foreign bond market prices were little changed. Trading for the first time were American Medical's dual currency issue, which closed at 59¼ – equivalent to 101 – and Minebea's issue with equity warrants, which was quoted at 103¼.

● Mr Ove Brandstrup-Andersen of Copenhagen Handelsbank was elected to the board of the Association of International Bood Dealers at the association's Helsinki meeting.

International Bond Service, Page 30

INTL. COMPANIES & FINANCE

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for May 29.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex Credit 10⅞ 90	100	100¾	101¼	0	0	10.60
Amex Credit 12⅝ 88	150	106⅛	106⅝	+0⅛	+0⅜	10.25
Austria Rep 13⅝ 92	100	112⅜	112⅞	+0⅛	+0⅜	10.96
Bank of Tokyo 13⅝ 91	100	110⅝	111⅛	+0⅝	+0¾	11.06
BP Capital 11½ 92	150	101½	102	0	+0⅞	10.72
Caisse Nat Tele 13¾ 91	100	112	112½	0	+0⅜	10.88
Canada 11½ 90	500	100⅛	105⅝	0	−0½	10.02
Canadian Pac 12½ 99	75	106⅜	106⅞	+0¼	+0⅜	11.51
CBS Inc 11⅝ 92	100	103⅝	104⅛	+0⅛	+0¼	10.58
Chevron U.S.A. 12¼ 89	600	104¼	104¾	+0⅛	+0¼	10.86
Coca Cola 11⅜ 91	100	106⅛	106⅝	+0¼	+0½	10.31
Denmark Kingdom 11½ 90	100	102¼	102¾	+0¼	+0¾	10.82
Denmark Kingdom 11½ 92	100	101⅜	101⅞	0	+0⅝	11.13
Denmark Kingdom 13¼ 91	100	108⅞	109⅜	+0⅜	+1	11.13
Denmark 13⅞ 88 XW	100	†108⅞	109⅜	−0⅜	+0½	10.35
Denmark Kingdom 14 91	100	108⅜	108⅞	0	+0¼	11.89
E.E.C. 11⅛ 90	100	102	102½	−0¼	+0⅝	10.46
E.I.B. 13 96	200	108¾	109¼	−0⅛	+0½	11.51
Export Dev Corp 12 89	100	105¾	106¼	+0½	+0⅝	10.21
Exxon Capital Corp 0 2004	1800	12¾	13¼	+0⅛	+0¼	11.05
Ford Motor Cred 11⅜ 95	100	99¾	100¼	+0⅜	+0⅝	11.61
IBM Credit 10⅝ 2000	300	†100⅝	101⅛	−0⅜	+0⅜	10.24
IBM Credit Corp 11¾ 87	200	†104⅝	105⅛	−0¾	+0⅛	9.28
Indust Bk Japan 12⅞ 89	100	108¾	109¼	0	+0⅜	10.17
Indust Bk Japan 13¾ 91	125	114⅛	114⅝	+0⅝	+1	10.54
Int-Am Dev Bk 12¾ 91	150	107⅜	107⅞	+0¼	+0½	11.00
Japan Air Lines 13⅜ 94	180	115⅞	116⅜	+0¾	+0¾	10.53
Kellogg Company 10¾ 90	100	102	102½	+0⅛	+0⅝	10.21
Kellogg Company 11¼ 92	100	103⅜	103⅞	+0¼	+0⅞	10.44
L.T.C.B. 12⅞ 01	100	100	100½	+0½	+0¼	10.98
Macy Cred Corp 11¾ 95	100	103¾	104¼	+0⅛	+0⅞	11.03
Mellon Bank 13 87	100	105	105½	0	+0⅛	10.21
Merrill Lynch 12¾ 89	100	100½	106	−0¼	0	10.97
Minnesota 11½ 87	100	100	103¾	+0⅜	−0⅛	9.78
Mitsubishi Corp 13¼ 89	100	110½	111	−0⅛	+0⅜	9.95
Montagu 13¾ 91	100	106¼	106¾	+0½	+0¾	11.09
Morgan Guaranty 12⅜ 89	150	105⅞	106⅜	+0⅛	+0⅜	10.51
Nippon Cred Bk 13¼ 89	100	109⅞	110⅜	−0⅛	+0⅜	10.68
Nth America 12⅛ 01	100	100	100½	+0⅛	−0⅛	11.41
Penney J.C. 12¾ 91	100	106¾	107¼	+0⅜	+1	11.12
Pru Realty secs 12⅝ 95	546	107	107½	+0⅝	+2⅜	10.85
Quebec Hydro 11½ 92	100	106⅝	107⅛	0	+1⅛	10.12
Ralston Purina 11¾ 99	150	104¼	104¾	+0¾	+1⅜	10.98
Ralston Purina 12¾ 89	100	107⅛	107⅝	+0⅛	+0½	10.52
Royal Bk Can 12¾ 92 XW	100	†104	104½	−0¼	+0½	11.76
Saskatchewan 10 3/4 92	100	99⅞	100⅜	+0¼	+0⅞	10.70
Saskatchewan 11 7/8 89	100	105¼	105¾	+0⅝	+0¾	10.24
S.N.C.F. 12⅜ 92 XW	100	102⅝	103⅛	−0⅛	+0⅝	11.74
Statoil 13½ 89	100	110¾	111¼	−0⅛	+0⅜	10.10
S Wales Trsy 11¾ 90	750	104⅛	104⅝	−0¼	+0⅝	10.55
Swed Exp Cred 12¾ 89XW	100	100	106½	0	+0½	10.81
Sweden Kingdom 10⅞ 90	200	101⅛	101⅝	+0⅛	+0⅞	10.50
Sweden Kingdom 11½ 89	200	104	104½	+0⅛	+0¾	10.24
Sweden Kingdom 11¾ 94	100	104⅛	104⅝	+0½	+0⅝	10.96
Texaco Capital 12⅛ 87	300	104⅝	105⅛	0	−0¼	10.28
Texaco Capital 13½ 89	200	†108⅞	109⅜	−0¾	+0⅜	10.65
Toronto Dom Bk 12½ 88	100	†104½	105½	+1½	+1½	10.35
Walt Disney Pro 12½ 87	150	104¾	105¼	0	+0¾	0.93
Weyerhaeuser 12¼ 87	150	103⅝	104⅛	−0⅛	−0⅛	10.26
World Bank 12¼ 94	150	107	107½	+0⅛	+0⅝	10.95
World Bank 12¾ 94	200	110⅝	111⅛	−0⅛	+1⅛	10.93

Average price change On day +0⅛ on week +0⅝

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 8 94	200	102¼	103	+0⅛	+0⅛	7.59
Austria Republic 7⅝ 94	200	101⅝	102⅜	0	0	7.30
Baxter Travenol 7¼ 94	200	101⅜	102⅛	+0¼	0	6.97
Credit National 8⅛ 94	200	104	104¾	0	−0¼	7.42
Degussa Int Fin 7½ 94	100	104⅜	105⅛	0	−0¼	6.75
E.E.C. 8 92	200	103⅝	104⅜	+0¼	+0⅛	7.21
Escom 9 02	150	99⅞	100⅝	+0¼	0	7.94
Ferrovie Dello Stato 8 01	100	102¼	103	+0⅛	+0⅛	7.42
Finland Republic 7 92	200	98½	99	0	0	7.23
Gould Int Fin 7⅝ 91	100	102⅜	103⅛	+0½	+0½	7.04
Ireland 8⅛ 92	150	102¼	103	+0⅛	0	7.62
Japan Fin Corp 7⅝ 91	100	102⅝	103⅜	+0⅝	+0¼	7.00
Mitsubishi Hvy 3½ 89WW	300	109⅜	110⅜	+0⅜	0	0.87
Mitsubishi Hvy 3½ 89XW	300	90⅜	91⅛	−0⅛	−0¾	6.28
Mitsubishi Met 3⅛ 89WW	100	99½	100¼	+0¾	+0¼	3.15
Mitsubishi Met 3⅛ 89XW	100	86⅛	86⅞	+0⅝	0	6.65
O.K.B. 7½ 88	100	100¼	101	+0⅛	+0⅛	7.27
Pepsico O/S Fin 7¼ 94	250	102	102¾	+0⅛	−0⅜	6.87
Renown 3⅛ 90	80	100½	101½	+0½	0	2.91
Reynolds O/S Fin 7⅜ 94	125	102¾	103½	+0⅛	+0⅛	7.00
Societe Cent Nuclear 8 91	100	102½	103	0	0	7.42
Sth Africa Rep 8½ 91	200	102⅝	103⅜	+0¼	+0¼	7.88
Sth African Tran 7⅝ 92	100	96⅝	97⅜	+0⅛	−0⅛	8.16
World Bank 7¾ 89	100	101½	102¼	+0⅛	+0⅛	7.14
World Bank 8 94	200	104¾	105½	−0¼	−0⅛	7.10

Average price change On day +0⅛ on week 0

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev Bk 6¼ 94	100	†101½	101¾	−0¼	0	6.01
Asian Dev Bank 6⅛ 96	100	†101	101¼	0	0	5.95
Avon Cap Corp 5⅝ 94	130	†98¾	99	0	0	5.53
Brit land Comp 6½ 99	75	†103	103¼	0	−0½	6.16
Council of Europe 6 92	120	†101½	101¾	+0¼	+0¾	5.72
Creditanstalt 5½ 94	100	†97¾	98	+0¼	0	5.79
Deutsche Bk Fin 5⅝ 95	100	†101	101¼	+0¼	+0¼	5.22
E.I.B. 5⅞ 94	120	†100¼	100½	−0½	−0¾	5.82
Eurofima 5 97	100	†98¾	99	−0½	0	5.11
Eurofima 5¼ 96	100	†100½	100¾	0	0	5.17
Export Dev Corp 5⅛ 92	125	†99½	99¾	0	−0½	5.43
First Boston Inc 5¾ 94	60	†100½	100¾	−0¼	−1	5.66
Gen Occidentale 4½ 94	80	†103	103¼	−0¾	+1⅜	4.09
I C Industries 5⅝ 94	125	†100½	100¾	−1	−0¾	5.53
Ind Fund Fin 5¾ 94	40	†100¼	100½	+0¼	+0¼	5.69
Int-Am Dev Bk 6⅛ 94	120	†101¼	101½	0	−1¼	5.92
New Zealand Govt 5¾ 94	150	†103	103¼	0	+0½	5.31
N.Zealand steel 5¾ 96	70	†99¼	99½	0	+0¼	5.82
Oberos Kftwk 5⅞ 95	100	†98½	98¾	+0½	+0⅛	5.56
Ost Donaukraft 5⅛ 95	70	†98¾	99	+0¼	+0¼	5.52
Ralston Purina 5⅜ 94	125	†99½	99¾	+0¼	+1	5.42
Santos Finance Ltd 6 94	130	†98½	98¾	0	0	6.19
Tokyo Elec Pwr 5½ 93	120	†99⅛	99½	+0½	0	5.60
Tokyo Metropolis 5¼ 94	80	†98¾	99	+0¼	0	5.40
World Bk 5¾ 94	150	†101½	101¾	+0½	+0½	5.52

Average price change On day 0 on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria Republic 7 95	30	98⅛	98⅝	+0¼	+0⅝	7.23
BP Overzee 7 92	17	100⅛	100⅝	0	+0¼	6.92
Fed Natl Mort 6¾ 92	50	98⅛	98⅝	0	+0⅛	7.18
Finland Republic 6¾ 90	75	98¼	98¾	0	+0⅛	7.12
World Bank 6⅝ 90	25	98⅜	98⅞	0	+0¼	6.96

Average price change On day 0 on week +0¼

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 12¼ 91 C$	125	†104	104½	+1⅛	+1⅛	11.58
British Columbia 12 90 C$	125	†103⅝	104⅛	+0⅝	+0⅝	10.92
Can Nat Rail 12½ 95 C$	100	†105⅝	106⅛	+0⅝	+0⅝	11.46
Chrysler Cred 12⅜ 92C$	60	†101⅝	102⅛	+1	+1	12.21
Desjardins 12½ 90 C$	50	†102⅛	102⅝	+0¾	+0¾	11.84
E I B 12 95 C$	75	†103½	104	+0⅜	+0⅜	11.35
New Brunswick 11⅝ 95C$	75	†99½	100	0	0	11.67
Geo Und Bk 10½ 93 ECU	60	105⅝	106⅛	0	+0½	9.45
World BK 10¼ 89 ECU	125	105⅜	105⅞	−0¼	+0⅛	8.66
World Bk 10⅝ 94 ECU	75	106⅝	107⅛	0	+0⅛	9.48
Eurofima 7½ 92 FL	50	100½	101	0	+0¼	7.35
Philips Lamps 7½ 90 FL	100	101⅛	101⅝	+0⅛	−0⅛	7.15
Rank Xerox 8 90 FL	100	102⅛	102⅝	+0¼	+0½	7.40
Van Lanschot 7½ 90FL	50	100¼	100¾	+0⅜	+1⅜	7.37
World Bank 7½ 90 FL	150	100¼	100¾	0	+0⅛	7.37
Charbonnages 13⅞ 85 FF	400	101⅛	102⅛	0	+0⅛	10.34
American Brands 12 95 £	40	103⅜	103⅞	−0⅛	−0⅛	11.34
Amer Express 11⅞ 92 £	30	102½	103	+0⅛	+0¼	10.77
Australia Comm 11 92 £	40	97⅞	98⅜	−0⅛	−0½	11.39
BP Capital 10¾ 92 £	50	97⅛	97⅝	0	+0¼	11.27
E I B 11⅛ 90 £	50	97½	98	0	+0⅛	11.56
Inco 12¾ 90 £	50	99⅞	100⅜	0	+0¼	12.88
Mcdonalds 10⅞ 90 £	40	98¼	98¾	0	+0⅛	11.27
Norsk Hydro 11⅝ 97 £	50	101⅞	102⅜	0	−0⅛	11.55
Privatbanken 11⅛ 92 £	20	99½	100	+0¼	+0½	11.91
Rank Xerox 11 92 £	40	96¾	97¼	+0⅛	+0¼	11.64
Royal Trustco 11¾ 90 £	30	99⅜	99⅞	+0⅛	+0¼	11.46
Ster Drug Cap 10⅞ 93 £	30	97¾	98¼	0	0	11.41
Swed Exp Cred 11⅛ 92 £	50	99⅛	99⅝	0	−0⅛	11.40
Trusthouse Forte 11⅛ 93£	50	97	97½	0	+0¼	11.88
World Bank 11½ 95 £	100	98½	99	+0¼	+0¼	11.46
E C S C 10½ 94LF	100	104⅝	105⅝	−0⅛	+0⅝	9.62
Nat Lux Alum 10⅞ 92 LF	600	104⅝	105⅝	0	+0⅛	9.48

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
B.B.L. Int 5 99	0⅛	100⅜	100⅝	11/10	9⅝	9.58
BankAmerica O/S 5¼ 95	0⅛	100⅛	100⅜	28/6	8.81	8.79
Bank of Montreal 5 95	0⅛	100⅝	100⅞	29/7	8¾	8.68
Bankers Trust 5 2000	0	99¾	100	11/6	9.81	9.82
Bankers Trust 5⅛ 96	0⅛	100⅛	100⅜	13/5	9.31	9.29
Barclays O/S Inv 5 2004	0⅛	100⅜	100⅝	4/9	10¼	10.20
B.F.C.E. 5¼ 99	0¼	100⅝	100⅞	13/8	10.06	9.99
B.N.P. 5¼ 95 (July)	0¼	100	100½	22/7	9⅛	9.11
C.C.F. 5½ 97	0	99⅝	99⅞	22/8	10⅝	10.65
Chase Man Int 5¼ 2009	0⅛	99⅞	100⅛	5/6	9.88	9.88
Citicorp O/S 5¼ 96 Sep	0⅛	100	100¼	19/12	11.18	11.17
Credit Lyonnais 5¼ 96	0⅛	100⅝	100⅞	11/10	9.69	9.62
Dresdner Fin 5¼ 89	0	100	100¼	25/5	9⅜	9.36
Ireland 5¼ 97	0	100⅜	100⅝	26/10	9.69	0.54
Ireland 5¼ 99	0	100½	100¾	14/9	10	9.94
Italy, Republic 5 94	0⅛	99⅞	100⅛	9/5	9.94	9.94
Lloyds Euro 5 2004	0⅛	100⅛	100⅜	18/10	9⅛	9.10
Midland Int Fin 5 99	0⅛	100⅜	100⅝	6/9	10.44	10.39
Nat West - Perp 5 89	0⅛	100⅞	101⅛	13/5	10⅜	10.27
Queensland Coal 5½ 95	0¼	100½	100¾	9/5	10.06	10.00
Roy Bk Scot 5¼ 2005 £	0	99¼	99½	2/5	5¼	5.28
Societe Gen 5¼ 95	0	†100¾	101	12/10	9½	9.42
Sweden Perp 5¼ 85	0¼	100⅛	100⅜	9/7	9.44	9.41
Tokai 5¼ 99	0⅛	100⅜	100⅝	12/6	9.94	9.89
Toyo 5¼ 99	0¼	100¼	100½	14/6	9.81	9.76

Average price change On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1053.64	94⅞	95⅞	+2	3.54
Fanuc 3¾ 98	1/84	7032.3	156⅝	157⅝	−0¼	36.79
Fujitsu 3 99	5/84	1320.9	86⅜	87⅜	−0⅜	15.30
Kumagai Gumi 3½ 2000	3/85	600	101⅛	102⅛	+0¼	0.69
Marui 3½ 99	7/84	1162	92¼	93¼	−0¼	−1.52
Mitsubishi Elec 2⅞ 00	3/85	422	90¾	91¾	−0⅝	−1.22
Murata 3½ 99	2/84	2351.2	109½	110½	−0⅛	25.92
Murata 3½ 2000	7/84	2388	106¾	107¾	−0⅛	26.13
Nippon Elec 2¾ 2000	1/85	1295	82⅞	83⅞	−1⅛	42.71
Nippon Oil Co 3 2000	5/85	923	95⅛	96⅛	−0⅜	4.68
Nippon Oil Co 3¼ 99	3/84	1052	85	86	−0⅝	15.90
Oki Elec Ind 3½ 99	10/84	805	85⅜	86⅜	0	24.21
Orient Leasing 5¼ 98	6/83	2580	99⅝	100⅝	+0⅜	−1.43
Sekisui House 3 99	6/84	612	100⅜	101⅛	+2⅝	1.87
Sony Corp 2 2000	5/85	4578	90¾	91¾	+0⅝	2.14
Sumitomo Corp 2⅞ 99	5/84	593	106⅝	107⅝	+2⅞	0.98
Taiyo Yuden 3¼ 2000	3/85	1078	94⅝	95⅝	+0⅛	2.07
Takeda Riken 3⅜ 2000	10/84	7663	90½	91½	0	15.16
Tokyo Sanyo Elec 3½ 99	12/84	772	88⅜	89⅜	−2¼	−1.97
Toshiba Ceramics 3 2000	4/85	1734.2	90⅝	91⅝	−0¼	−0.57
Nippon Oil Co 2⅝ 92 SF	3/84	1052	†103¼	103½	−1⅛	17.17
Nippon Shinpan Co 2 92 SF	3/84	801	†94	94¼	−0⅝	16.24
Settsu Paper 2¼ 92 SF	4/84	677	†150	152	+12½	10.82
Asics 5 92 DM	12/83	520	104¼	105¼	+0¼	16.73
Sum Realty 6¼ 92 DM	2/83	338	245⅝	246⅞	+21½	3.02

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. = Current coupon. Cu. yld = Current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Three companies in joint offer for SME

BY JAMES BUXTON IN ROME

THE SALE of SME, the food processing subsidiary of the IRI the Italian state industrial holding company, became further confused yesterday when three companies put in a joint offer for SME on terms superior to those already agreed between IRI and Buitoni, the private sector foods group.

The offer came from Ferrero and Barilla, which are both food manufacturers, and Fininvest, the company whose interests are primarily in TV and property, and which is controlled by Sig Silvio Berlusconi.

There was an angry reaction from Sig Carlo de Benedetti, chairman of Buitoni, who is also chairman of Olivetti.

Sig de Benedetti agreed to buy 64 per cent of SME (Societa Meridionale Finanziaria) for L497bn ($250m) at the end of April. The deal was easily the biggest privatisation carried out in Italy, and was approved by the IRI and Buitoni boards.

But the sale led to a dispute between the Christian Democrats and Socialists in the coalition Government of Sig Bettino Craxi.

On Monday an inter-ministerial committee agreed in principal that SME could be sold, but asked IRI before selling to Buitoni to consider a second offer for the company put forward late last week by Professor Italo Scalera, a leading lawyer, on behalf of companies which he did not name. That offer was for L550bn.

IRI waited in vain for details of Prof Scalera's offer, which yesterday was withdrawn. In the meantime it received the offer from Ferrero, Barilla and Fininvest, which is worth L600bn, though with slightly less favourable payment terms than that agreed with Buitoni.

Sig Pompeo Locatelli, representing the consortium, claimed that the companies had expressed interest in buying SME before the Buitoni agreement but had received no response.

Yesterday Sig de Benedetti said that there had been no question of "an auction" when the original agreement was signed, "though I would have had no difficulty in taking part in one."

IRI yesterday issued a strong statement denying that it had received any expression of interest from the three companies for the outright purchase of SME.

TWA seeks buyer to counter Icahn bid

BY WILLIAM HALL IN NEW YORK

TRANS World Airlines (TWA), the fifth biggest U.S. airline, has put itself up for sale in a bid to avoid being taken over by Mr Carl Icahn, the New York financier, who earlier this month launched a hostile $18 per share bid for the company.

However, if no better offer is made within the next two months and Mr Icahn can prove he has the financing and the blessing of the U.S. Department of Transportation, TWA will submit his offer to its shareholders.

A U.S. district court on Tuesday rejected an attempt by TWA to block Mr Icahn's $600m bid on the grounds that he had violated U.S. securities laws. Ever since Mr Icahn began his battle for control of TWA, the company has been trying to shake him off through lengthy legal battles and heavy lobbying in Washington.

TWA, spun off from its parent, Trans World Corporation, in February 1984, has been regarded as a takeover target because of its poor profitability and the cyclical nature of its business.

The airline, which returned to the black last year after five years of losses, believes that if Mr Icahn is successful he will force it to abandon many of its routes and the communities it serves and will leverage the company so heavily with debt that it would jeopardise its viability and lead to extensive staff cuts.

TWA's board indicated that it was open to offers and would submit the best proposal it receives in the next 60 days to its shareholders.

Lower taxes boost Bank of Montreal

BY BERNARD SIMON IN TORONTO

BANK of Montreal's net income for the three months to April 30 rose 10.3 per cent to C$78m ($57m) or 85 cents a share, against C$70.7m or 81 cents a share a year earlier, largely because of lower rates.

Pre-tax income was significantly lower, however, dropping from C$106.2m to C$92.5m.

Bank of Montreal is Canada's second largest bank, with assets of C$79.9m at the end of April. The bank acquired Harris Bankcorp of Chicago last September.

The bank ascribed the lower return on assets to the inclusion of Harris's results and bad debt provisions substanbally higher than actual loan losses.

Bank of Montreal said these two factors had depressed its return on assets by 0.13 percentage points.

Loan loss provisions have risen by C$7.9m in the past year to C$103.4m in the second quarter.

Bank of Nova Scotia, Canada's fourth largest banking group, lifted net income to C$66.6m or 43 cents a share in the three months to April 30. A year earlier income was C$[illegible].7m or 42 cents a share.

However, second-quarter earnings were 11 per cent below the previous three months, largely as a result of a sharp decline in returns on international assets from 0.7 per cent in the first quarter to 0.59 per cent.

Storer Communications battle goes to court

BY PAUL TAYLOR IN NEW YORK

THE BITTER battle for control of Storer Communications, the fifth largest U.S. cable television group, appears to be deadlocked again, with both sides in a proxy battle claiming partial victory and the vote itself challenged in court.

A dissident shareholder group which is seeking to liquidate the television group claimed an independent vote count showed that four of their nominees, together with five incumbent directors, had been elected to the nine-member Storer board. It claimed the vote was "a clear endorsement" of its liquidation proposal.

Storer's management also claimed victory, however, and charged that the vote inspectors "erroneously tabulated" - 500,000 voted and that "a proper tabulation of those votes would result in the election of six incumbent directors."

Storer, seeking to uphold its claim, filed suit in the Ohio state courts seeking a temporary block on certification of the vote results — an action which brought a countersuit from the shareholder group.

The committee representing the dissident shareholders claimed that the court action represented "just one more attempt" by Storer's management, which has proposed a $1.64bn leveraged buyout organised by Kohlberg, Kravis, Roberts, to "disenfranchise Storer shareholders."

NOTICE OF MANDATORY REDEMPTION

National Westminster Bank PLC

US $50,000,000 9% Capital Bonds 1986

In accordance with condition 7 (i) and (ii) of the bonds, the redemption installment of $7,000,000 principal amount of bonds due July 1, 1985 has been met by purchases in the open market of $1,046,000 and by a drawing by lot of $5,954,000.

The serial numbers of bonds drawn by lot for redemption on July 1, 1985, are as follows:

[illegible]

On July 1, 1985 the principal amount of bonds drawn for redemption together with accrued interest thereon to said date will be paid against presentation of the bonds at the offices of: The Chase Manhattan Bank, N.A., New York, New York; London, England; Luxembourg, Luxembourg; and Paris, France; Banque de Commerce S.A., Brussels, Belgium; Nederlandse Credietbank N.V., Amsterdam, Holland; Westdeutsche Landesbank Girozentrale, Dusseldorf, Federal German Republic; and HandelsBank N.W., Zurich, Switzerland.

Interest on bonds drawn for redemption will cease to accrue on and after July 1, 1985 and such bonds must be presented for payment together with the July 1, 1986 coupon appertaining thereto, failing which the face value of any missing unmatured coupon will be deducted from the principal sum to be repaid.

The July 1, 1985 coupon should be detached and presented for payment in the usual manner.

After this redemption the balance of bonds remaining outstanding will be $8,000,000.

The following bonds drawn for redemption on July 1, 1984 in the aggregate principal amount of $34,000 have not been presented for payment.

28 30 31 48 105 287 1360 1361 3224 17432 41144 41152 41157 41159 41161 41552 41584 41590 41591 41596 41600 41603 41734 41735 41760 41763 41859 41862 41886 41869 42531 43578 43589 48860

THE CHASE MANHATTAN BANK, N.A.
Principal Paying Agent
Dated: May 30, 1985

INTL. COMPANIES & FINANCE

Nissan lifts pre-tax profits 22.6%

BY CARLA RAPOPORT

NISSAN, the world's fourth largest car maker, achieved a 22.6 per cent pre-tax profits increase for the year to March, despite a sluggish domestic market and keen price competition worldwide.

In its unconsolidated figures released yesterday, the group reported sales up 4.6 per cent to Y3,618bn ($14.4bn) in the year, with pre-tax profits at Y148.2bn against Y120.9bn. Net income was up only 5.3 per cent to Y74.3bn, largely because a 54 per cent increase in Nissan's tax bill for the year.

The company said yesterday that profits had been held back somewhat in the year because of continued spending on research and development and heavier sales expenses in the home market. R&D spending was some Y140bn, or about 4 per cent of sales.

Earnings per share were down to Y34.8, compared with Y36.6 in 1983-4.

Sales of Nissan's cars increased by only 3 per cent in the year, with exports offsetting a domestic decline in sales. Exports overall were up by 7.6 per cent, led by sales to the U.S., Canada and China. Sales to the UK declined by nearly 21 per cent, with shipments to Europe in total down. Exports to China, however, jumped to 42,300 units, a 25-fold increase over the previous year.

Nissan executives emphasised yesterday that the company was pinning its hopes for future growth on its overseas manufacturing facilities. According to Mr Kazuo Tanahashi, a Nissan managing director, production of small trucks at the company's new U.S. plant had reached 10,000 a month.

Production of the group's new passenger car, Centra, will soon be at 5,000 per month in the U.S. "Exports can create trade friction," said Mr Tanahashi. "Our world strategy is not to create excess friction. So we are setting up local factories around the world."

Nissan's domestic market share slipped last year to 26.8 per cent from 27.8 per cent in 1983-84. The group says it is committed to achieving a 30 per cent share in the current year.

Reuter adds from Taipei: Taiwan's Economic Ministry has approved an application by Nissan to buy 25 per cent of Yue Loong Motor for about U.S.$65m through purchases of Yue Loong shares listed on the Taipei Stock Exchange.

Yue Loong, Taiwan's largest car maker with annual production of about 60,000 units, has co-operated with Nissan for the past 25 years, producing cars for sale in Taiwan. The company said Nissan's capital investment would enable it to increase production by at least 20 per cent a year.

Heavy exchange losses hit result at CSR

BY LACHLAN DRUMMOND IN SYDNEY

CSR, THE Australian resources and building products group, achieved steady net earnings of A$92.2m (US$61.1m) for its year to March, but was hard hit below the line by extraordinary losses from foreign exchange translations.

Losses on repayment of debt and unrealised exchange losses totalled a net A$145m as a result of a sharp dive in the value of the Australian dollar this year, which with a further A$10m of extraordinary losses, left its attributable result A$63.2m in deficit.

The company also confirmed yesterday that a number of parties were looking at taking a stake in its Delhi Oil and Gas operations, although likely serious negotiations are some months off. No likely sale price was given, but suggestions that Delhi was worth A$1.2bn have been dismissed as too low.

Delhi is held off the CSR balance sheet, and the latest CSR result excludes any accounting for the A$385m of realised and unrealised exchange losses built up on U.S. dollar borrowings incurred to purchase the company and fund its spending in the Cooper Basin liquids scheme.

Should a buyer emerge for part of Delhi, it would accelerate the restructuring already planned by CSR, which would see it pre-pay part of the US$900m of debt and bring the remainder on to its balance sheet. It would also bring the bigger than expected Delhi income stream into the CSR profit and loss statement.

CSR has also written down by A$102m the value of its loss-making South Blackwater coal mine, although other upward revaluations resulted in a net A$16m addition to reserves.

The coal operation contributed to the flat return for the year with a net contribution down from A$11.9m to A$6.2m, a result which is expected to be sharply higher this year.

For the current year CSR will begin to feel positive effects from U.S. dollar-based sales following the decline in the Australian dollar.

The dividend total for the last year is unchanged at 18 cents a share.

Lend Lease to bid for full control of insurer

BY OUR SYDNEY CORRESPONDENT

LEND LEASE, the Australian property and construction group, is to make an all-share offer to take full control of MLC, an insurance group valued by the bid at A$447m (US$296.4m).

Lend Lease, which already owns 49.6 per cent of MLC, is to offer four of its own shares for each of the remaining 8m MLC shares, which at yesterday's closing price of A$7 a share for Lend Lease values MLC at a A$1.50 premium to its closing price of A$26.50 a share.

Lend Lease moved close to a controlling stake in MLC with a cash bid equivalent to A$4.50 a share at the end of 1982 and has spent the past two years reorganising the group and unlocking its profit potential.

MLC consists of a parent company with general insurance and financial service interests, and a life insurance subsidiary with policy holder funds of A$3bn, from which the parent draws a 10 per cent share of the annual policy holder surplus

Mr Stuart Hornery, managing director of Lend Lease, said that after having put in 100 per cent of the effort, the company now wished to secure 100 per cent of the rewards.

The move fitted with its strategy of building a continuing stream of income to offset its more cyclical businesses, an approach which has already seen it push into property management and property trust management.

The degree of success for the bid will be determined by the attitudes of Industrial Equity (IEL), with just over 20 per cent, and London Assurance with 9.2 per cent.

IEL turned down the 1982 offer, while London Assurance, part of the Phoenix Sun Alliance group, accepted for half its holding.

Once Lend Lease moves above 50 per cent of the MLC, the life arm will extinguish its own 13.9m shareholding in Lend Lease—the biggest single holding at 13 per cent. This in turn will limit the overall increase in capital by Lend Lease from the potential 32m shares to only 18m, or just short of 18 per cent of current capital.

MLC shareholders would receive a sharp increase in dividend from a projected 50 cents to at least A$1.12 through the share swap, while the deal offers little earnings dilution for Lend Lease.

Bell set for acquisitions with A$200m share issue

BY OUR SYDNEY CORRESPONDENT

BELL RESOURCES, the group controlled by Mr Robert Holmes à Court, has positioned itself for further major corporate moves with a A$200m (US$132.6) placement of convertible preference shares.

The placement remains subject to shareholder approval, although the 10.5 per cent stock has been bedded down with a range of institutional groups, while Mr Holmes à Court's family company as well as Bell Group, the immediate parent of Bell Resources, will put up A$128m of the issue.

The preference issue was announced at the company's annual meeting, where Mr Holmes à Court also said that Bell would follow through with a bid for Asarco, the U.S.-based metals group in which it has a 10 per cent stake, if it was felt necessary to protect its existing interests.

The $200m funding follows a recent raising of A$300m by Bell Resources through the sale of oil and gas interests and sharea in Broken Hill Proprietary.

JAPANESE RESULTS

MITSUI TRUST & BANKING
Trust Bank

Year to	Mar. '85 Y	Mar. '84 Y
Assets (bn)	11,549	9,548
Pre-tax profits (bn)	676.75	625.92
Net profits (bn)	14.89	12.60
Net per share	16.11	12.24
Dividend	5.5	5

CONSOLIDATED

DAIKYO OIL
Oil products marketing

Year to	Mar. '85 Y	Mar. '84 Y
Revenues (bn)	1,181	1,274
Pre-tax profits (bn)	†8.69	1.65
Net profits (bn)	0.19	7.37
Net per share	1.44	54.68
Dividend	Nil	Nil

† Loss.
PARENT COMPANY

FUJISAWA PHARMACEUTICAL
Pharmaceuticals

Year to	Mar. '85 Y	Mar. '84 Y
Revenues (bn)	197	204
Pre-tax profits (bn)	22.23	27.91
Net profits (bn)	8.03	10.98
Net per share	23.03	44.46
Dividend	7.5	7.5

PARENT COMPANY

ISHIKAWAJIMA-HARIMA HEAVY INDS.
Heavy machinery, shipbuilding

Year to	Mar. '85 Y	Mar. '84 Y
Revenues (bn)	802	911
Pre-tax profits (bn)	17.47	22.54
Net profits (bn)	8.70	10.64
Net per share	8.69	8.20
Dividend	4	4

PARENT COMPANY

OMRON TATEISI ELECTRONICS
Automation equipment

Year to	Mar. '85 Y	Mar. '84 Y
Revenues (bn)	271	209
Pre-tax profits (bn)	17.82	15.34
Net profits (bn)	9.11	7.66
Net per share	53.36	47.60
Dividend	11	11

PARENT COMPANY

MITSUBISHI CHEMICAL INDUSTRIES
Chemicals

Year to	Jan. '85 Y	Jan. '84 Y
Revenues (bn)	1,223	1,146
Pre-tax profits (bn)	39.61	23.12
Net profits (bn)	23.39	†3.48
Net per share	20.83	†3.19

† Loss.
PARENT COMPANY

SHIONOGI & CO.
Pharmaceuticals

Year to	Mar. '85 Y	Mar. '84 Y
Revenues (bn)	185	177
Pre-tax profits (bn)	20.45	23.16
Net profits (bn)	7.38	9.54
Net per share	23.19	32.97
Dividend	7.5	7.5

PARENT COMPANY

TAKEDA CHEMICAL INDUSTRIES
Pharmaceuticals

Year to	Mar. '85 Y	Mar. '84 Y
Revenues (bn)	475	476
Pre-tax profits (bn)	45.10	47.02
Net profits (bn)	19.48	20.95
Net per share	23.96	27.20
Dividend	7.5	7.5

TOKYO ELECTRIC POWER
Utility

Year to	Mar. '85 Y	Mar. '84 Y
Revenues (bn)	3,916	3,711
Net profits (bn)	112.98	121.89
Net per share	86.91	93.76
Dividend	60	60

PARENT COMPANY

TORAY INDUSTRIES
Textiles

Year to	Mar. '85 Y	Mar. '84 Y
Revenues (bn)	627	613
Pre-tax profits (bn)	25.66	20.89
Net profits (bn)	15.01	15.62
Net per share	12.58	13.09
Dividend	8	5.50

PARENT COMPANY

Steven Butler in Seoul on opportunities for a growing car industry

Korea aims for the fast lane

SOUTH KOREA'S *automotive* industry is moving into high gear. It has emerged strongly from a difficult period of restructuring at the early part of the decade and is poised for rapid growth, with greater competition expected in the domestic market and exports projected to expand fast. Yet the industry faces a number of hurdles before it can become a world-class competitor.

The expansion is led by some of Korea's most aggressive and best-managed companies — Hyundai, Daewoo, and Kia, all three of which are rapidly adding to production capacity, upgrading their technology, and broadening international links. The companies rode on a crest of rapid growth during the late 1970s. But high oil prices, combined with deep domestic and international recession, cut the industry's production by nearly half.

The government staved off collapse of the sector with a restructuring plan that reduced competition by dividing up the market among the companies. Daewoo (then Saehan Motors) and Hyundai were allowed to continue production of passenger cars, while Kia, the first to develop a local car with almost entirely domestic content, was banned from passenger car manufacture, but was given a monopoly over the production of small vans and trucks.

The motor companies resisted the plan, but in retrospect they admit that it strengthened the industry. "The fact that we still exist tells you that it worked," says Mr Lee Soo-Jang, director of overseas trade at Kia Motors.

With a new management team, Kia began to produce a profit again in 1982, mainly on the basis of its protected market for vans and trucks. But now the oKrean government is moving to dismantle the protection.

Beginning in 1987, Kia will again be allowed to produce cars, while Daewoo and Hyundai will move into the manufacture of small commercial vehicles. Eventually foreign imports will be allowed. All three companies are gearing up for these changes, though they have adopted different strategies.

Hyundai is the most advanced. It produced 123,000 passenger cars last year, capturing 68 per cent of the domestic car market and 96 per cent of exports. Hyundai is being closely watched because late this year or early next it is expected to test the U.S. market for the first time, exporting a new front-wheel drive subcompact, the Pony Excel.

As early as 1976, Hyundai began to dabble in exports and Mr Lee Soo-il, director of planning at Hyundai, says the experience was instructive. He says many problems of quality and workmanship were weeded out. Last year an older model, the rear-wheel-drive subcompact Pony II arrived in the Canadian market and was an instant success, with sales of 25,000 vehicles, roughly four times initial expectations.

Hyundai's strategy was simple: to sell the cheapest car on the market. It intends to adopt the same strategy in the U.S. Mr Lee says a final price decision has not been made yet, but he does not rule out the possibility of selling the Pony Excel for under $5,000.

He says Hyundai needs to sell more than 100,000 vehicles in the first year to be considered a success, but admits that the dropping of quotas on Japanese imports to the U.S. and the expected entry of more small Japanese cars is worrying. Nonetheless, he stays: "We are not afraid of comeptition."

Hyundai sold a 10 per cent stake in Mitsubishi of Japan in 1982, when it recognised that it would need advanced technology to design a front-wheel drive vehicle which wuold be internationally competitive. But Hyundai, like many Korean companies, would clearly like to shed its dependence on foreign companies. As one industry executive puts it: "One of my regrets has been the fact that we are too much dependent on Japanese sources for technology and supplies of materials and finished products."

Kia Motors, like Hyundai, is intent on keeping control of its own destiny, but it too has turned to Japan for technology. Mazda acquired an 8 per cent stake in Kia in 1983, while C. Itoh took 2 per cent. Kia's successful small van is based on Mazda technology, and it is working closely with Mazda to develop its new entry in the car market—a mini-car with a 1100 cc engine.

Kia will build a 120,000 unit per year factory, and expects to export 70 per cent of the cars to the U.S.

Kia executives say that Ford Motor of the U.S., which holds a 25 per cent stake in Mazda, is responsible for developing the concept behind the car and is expected to undertake the U.S. marketing, possibly under a Ford label. Kia would clearly prefer to market the car under its own name, but says it can be "flexible."

Kia also wants to develop mid-sized cars in the 1600cc to 2000cc range. It is talking with Fiat and Peugeot about assembling their cars in Korea in exchange for marketing Kia products in Europe. It has already entered into an outline agreement with Saab Scania, under which Kia would produce larger Scania trucks in Korea while the Swedish company would market Kia trucks in Europe. Kia has also approached Renault.

In contrast to Kia and Hyundai, Daewoo Motors is more firmly linked to a single foreign partner, through a 50-50 joint venture with General Motors. Last year the two partners agreed to expand and construction is under way for a plant which will produce an annual total of 167,000 front-wheel drive subcompacts, as many as half for export, based on Opel designs.

VEHICLE PRODUCTION

1975	37,279
1976	49,545
1977	85,545
1978	158,959
1979	204,447
1980	123,135
1981	134,284
1982	162,590
1983	221,019
1984	265,361
(Projected)	
1985	310,000
1987	600,000
1990	1,000,000

Source: Korea Auto Industries Co-operative Association

Daewoo took over the company in 1982, when it was a money-losing joint venture between Saehan Motors and GM, under the local management of GM. Under Daewoo's management, profits were first introduced in 1983 but there has been relatively little success in marketing subcompact models locally. Many analysts think that could change when the Opel-designed cars begin rolling off the assembly line.

Although foreign analysts are impressed with the confidence that GM has placed in Daewoo, and are predicting success, Daewoo's Korean competitors are less awed. A Hyundai executive says that the joint venture structure will encumber management and make it slower to respond to market trends.

"From a short-term point of view of money-making, the Daewoo-GM system is by far the most beneficial,' says a Kia executive. "But there is no challenge in the system and no prolonged incentive to make innovations. It is a hit-and-run type of business."

The Daewoo strategy reflects the outlook of Mr Kim Woo-Choong, the Daewoo group chairman, who, in contrast to many Korean businessmen, does not aspire to complete independence. Rather he hopes to translate Korea's strengths in low-cost manufacturing directly into profits and growth by teaming up with a foreign partner for technology and marketing

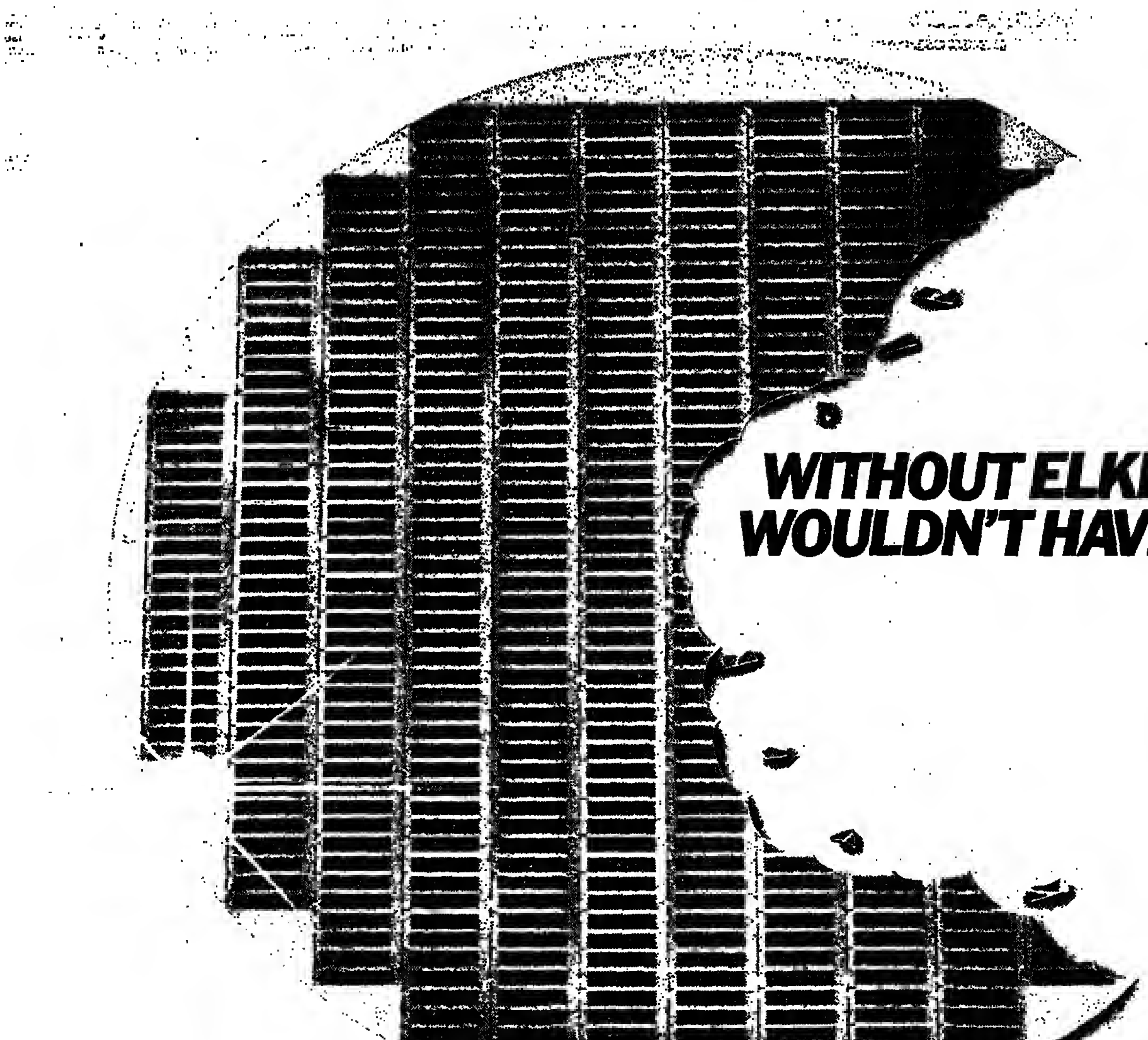
The strategies reflect different approaches to several major obstacles. One is the small size of Korea's domestic vehicle market, which has grown far more slowly than industry executives had anticipated.

Registrations passed the 1m mark this month, May, incomes are rising fast, and the ratio of cars to people at roughly one to 40, is very low. All the same, no one expects a boom in domestic sales. Taxes add about 40 per cent to selling prices, and petrol prices are also very high.

The companies say the domestic market is too small to provide the necessary economies of scale for efficient production, and that they must export to stay competitive. But some analysts doubt that an export drive can succeed without substantially broader support in the domestic market.

There is also a race to catch up on technology. "We are dragged along by external forces," says Mr Lee of Kia. Kia exports a small quantity of its vans, but it still is excluded from the U.S. market because it has not met pollution and safety standards. The companies also have yet to prove they can meet international quality standards. In the view of one analyst: "The Korean workers cannot afford to own the cars they assemble and have no appreciation for things like a good door fit."

Many observers fault the manufacturers for the lack of a back-up industry in parts and components. That shortcoming may be on the way to solution, however. Both GM and Chrysler have set up parts ventures in Korea and TRW, the U.S. components maker, is in the process of setting up a venture of its own. Chrysler would clearly lik to build cars in Korea in the future.



UK COMPANY NEWS

Tate & Lyle offsets sugar downturn

Tate & Lyle managed to increase its interim taxable profits by 17 per cent despite a downturn at its mainstay sugar production and refining businesses, which normally account for more than half of the group's results.

These operations turned in a lower £11.3m, against £16.0m, but gains made elsewhere, notably automotive and agribusiness activities, enabled Tate to show an overall advance from £27m to £31.5m at the taxable level—this was roughly in the middle of wide ranging City estimates.

The disappointing sugar profits were caused mainly by the squeeze on sugar refining margins in both the UK and the U.S., says Sir Robert Haslam, the chairman. The UK contributed £4.4m less at £4.8m while the U.S. broke even, against £5.4m last time.

The chairman says, however, that since the start of the second half conditions in both markets have shown signs of improvement. In Canada, he says refining profits were satisfactory, particularly against the background of a five-week strike at Redpath's Toronto refinery.

In addition to the sugar downturn, Tate has taken into account an £11.4m extraordinary debit for the agreed sale of a substantial majority holding in Belize Sugar Industries, which has left uncovered its higher interim dividend of 7.5p, against 6.5p.

Sir Robert says the higher dividend reflects the board's decision to reduce disparity as well as improved trading conditions now being experienced, which should be reflected in the results for the second half. In the 1983-84 year Tate earned £69.2m pre-tax and paid a final dividend of 12.5p.

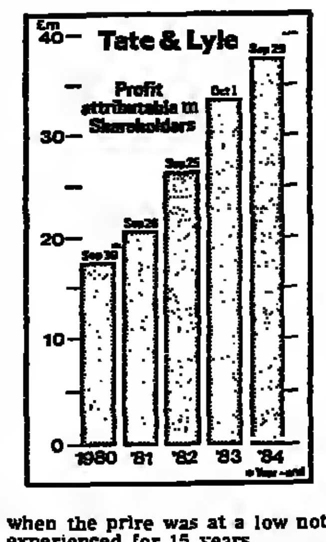
During the opening six months to end-March 1985, the packing and distribution, malting and bulk liquid storage sectors all performed strongly and contributed a combined £5.0m (£2.6m).

He points out that Tate's agribusiness has returned to profitability after the difficult retrenchment necessary to stem two years of losses. However, international trading conditions in the molasses business were difficult and did not allow a repetition of the good profits of the corresponding half of 1984.

On the sugar trading side, where losses fell from £7.1m to £4m, he says that the High Court has decisively confirmed the company's right to proceed to arbitration over the disputed contract for delivery of sugar to Indonesia.

This decision has been appealed; full provision against the contract was made in previous years.

Sir Robert says that the group has taken a long-term strategic position in physical raw sugars. The value of this sugar was written down to the market price ruling at the end of the period,



when the price was at a low not experienced for 15 years.

Total group turnover for the half year advanced from £811m to £850.9m and operating profits rose by £3.3m to £25.2m. Related companies added £4.2m (£4.7m) while interest receivable contributed more at £11.7m (£8.1m)—interest charges were higher at £9.6m (£7.7m).

Earnings per share, pre the extraordinary debit, were down from 23.2p to 20.9p after tax of £13.4m (£7.7m). There were minorities of £3.7m (£3.4m).

Following the extraordinary debit, Tate showed an attributable profit of £3m, down from £15.9m, before dividend payments of £5.3m (£4.5m).

Regarding the future, Sir Robert says that Tate has had the opportunity to make four important acquisitions in North America.

Three of these have been completed at a cost of £78m; Donlee Manufacturing Industries, a manufacturer of automotive and industrial products; the agri-products division of Beatrice Inc., manufacturer of blended vitamin and mineral pre-mixes and animal feeds; and the Western Sugar Co., beet sugar producers.

Completion of the fourth, Colonial Sugars Inc., sugar refiner, is expected to take place during the summer. Taken together, the chairman says these purchases represent a major expansion in a spread of activities embracing both sugar and non-sugar businesses.

"They will contribute to profits in the second half of this year and we expect a substantial contribution in 1986," says the chairman.

Tate's shares, a constituent of the FT 30-share index, closed last night at 447p, unchanged on the day.

See Lex

Offshoot losses take toll on Smith Bros

TRADING in the main operations by the stockjobbers, Smith Bros, was good enough for company profits to show an increase of almost 5 per cent for the year to April 26, 1985. However an increased share of the losses at its subsidiary Smith New Court, the international dealing company, left attributable pre-tax profits down by 4.8p per cent.

Company profit was £5.48m (£5.2m) but after losses at subsidiaries of £2.9m (£81,000), a £388,000 share in the profits of associated companies, compared with the previous year's loss of £53,000, and former minorities share of losses at £1.39m (nil), taxable profits were £4.83m (£5.07m).

With tax at £1.59m, against last year's £1.96m, after-tax profits rose by almost 4 per cent from £3.11m to £3.23m.

Earnings per share work out at 22.2p, basic, against the previous year's 24.9p, and at a fully-diluted figure of 16.1p, against a comparable figure of 20.3p.

The final dividend is being raised from 4p to 4.5p giving a total for the year of 6p, up from last year's 5p.

The chairman, Mr Tony Lewis, says that the UK equity market showed a satisfactory profit throughout the year and adds that the trend has continued during the first month of the present trading year.

● comment

Opinions differ as to whether market making or distribution is going to be the more crucial skill in the new equity market, whenever that comes into operation. So far as Smith Bros is concerned, not even its purchase of stockbroker Scott Goff has done much to alter the conviction that market making is the key. Determined to keep a presence on the floor—as a means of demonstrating that it really is intending to make continuous prices at the market level—Smith seems confident enough of its ability to survive the increased competition, and probably see off some of the more opportunistic newcomers. Having sorted out the initially complicated relationship with its rich uncle Rothschild, Smith has begun to make a bit of money in the international dealership, now wholly owned; the ID's second-half losses were negligible even last year. And although there were some very sticky patches for all London equity jobbers last year—to judge by their obvious difficulty in making prices from time to time—Smith's underlying business clearly did very well indeed; if it picked up two or three points of market share from the bigger houses that would be no surprise. At 120p, off 3p, the multiple of less than six times still represents something of compliment, by historic standards.

Bid failure is Carless' one regret in £8.5m year

BY DOMINIC LAWSON

Carless, Capel and Leonard, the oil exploration and solvents group, yesterday revealed pre-tax profits of £8.5m, for the year to March 1985 compared with less than £5m the previous year.

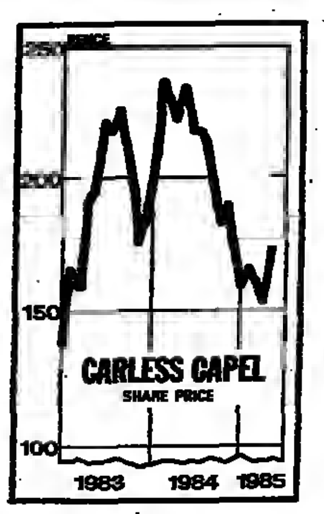
The result easily overtakes a profits forecast of not less than £7.5m, made by the company last year as part of its abortive £100m bid for fellow UK oil explorer Premier Consolidated Oilfields.

Mr John Leonard, the chairman of Carless, yesterday described the year's performance as extremely good, with the exception of the failure to take over Premier. There was an extraordinary loss of £2.7m, reflecting the slump in the value of Carless' shareholding in Premier, since the offer closed.

Mr Leonard said that Carless had received one offer for its 15 per cent shareholding in Premier, but added: "It is our present intention to retain our shareholding."

Mr Leonard said that Carless' downstream interests had performed particularly well last year in what was an extremely difficult market. Hydrocarbon solvents and chemicals posted operating profits of £3.3m (£2.2m) on turnover of £59.5m (£55.6m), while petroleum fuels marketing reached £1.4m (£804,000) on turnover of £64m (£40m).

Carless' heavy investment in oil and gas exploration is now paying off, with oil and gas production for the first time becoming the group's main profits centre.



Carless has retained profits for the year of £2.8m, compared with just over £1m. However, Mr Leonard said that in view of the necessity to preserve cash resources the company would pay an unchanged final dividend of £1.75p per share.

Forecasting the current year, Mr Leonard said the highpoints would include the first commercial production from the company's Humbly Grove discovery in Hampshire; the drilling of up to 10 exploration wells in Southern England; the continuing development of the North Sea Balmoral field; and the development of newly acquired assets in North America.

● comment

As Carless Capel and Leonard becomes more and more of an exploration stock, present results become increasingly less useful as a means of valuing the company. Nevertheless a 73 per cent increase in pre-tax profits is not to be sneezed at, and illustrates, above all, Carless' experience and expertise in the less fashionable solvents and fuels marketing side of its empire. On the exploration front, Carless' highly prospective South of England acreage is now fully discounted in the share price. But the same might not be true of the acreage that Carless picked up last week in the ninth round of UK offshore licences. In blocks 98/6 and 98/7 the company will have 7.5 per cent of up to 30m barrels of virtually proven oil. While in Morecambe Bay Carless has been awarded 10 per cent of an area with an excellent chance of substantial quantities of gas. Carless's only problem, with gearing at 100 per cent and no drop in sight will be to finance all its excellent prospects. For that reason, shareholders should not complain about the lack of a rise in the dividend, which may lie behind the drop of 2p in the share price yesterday to 173p when the yield is 2.3 per cent.

Borthwick recovers strongly in first half

AN EARLIER start to the season in New Zealand enabled Thomas Borthwick & Sons, the international food, meat and trading group, to swing back into the black in the half-year to March 31, 1985.

However, with the earlier start generating a greater proportion of profits in the first half the directors are looking for a "more modest" second six months' performance.

For the opening period the group swung from losses of £888,000 to pre-tax profits of £3.7m. Turnover pushed ahead from £258.7m to £271m.

In line with the policy of recent years the directors will await the outcome of the full year before deciding on the appropriate rate of dividend.

If circumstances are favourable they hope to recommend a level at least equivalent to last year's 0.5p total.

Group chairman Mr R. C. Wheeler-Bennett tells shareholders that in New Zealand operations improved, particularly in respect of marketing and livestock procurement.

He adds that the wool division also performed well, having had the advantage of increased volumes of product and strong markets in the early part of the year.

Mr Richard Wheeler-Bennett.

The group's Australian division is beginning to respond to steps by management to reorientate the business and to improve its position in the meat industry in that country.

The chairman says that while losses are still being incurred, these are at a reducing level. Higher livestock availability than anticipated has helped the Queensland and Victoria works. However, this is likely to be at the expense of the second half of the year.

In the UK the improvement noted at the manufacturing and trading divisions has been sustained and gives the directors encouragement for the future.

They point out, however, that the group's retail activities both in England and France are experiencing difficulties due to changes in patterns of demand.

Group tax for the half year surged from £368,000 to £1.9m to leave the net balance at £1.6m (loss £1.26m).

Minorities took £757,000 (added £260,000) and £1.04m was transferred to reserves, against a transfer from reserves of £996,000.

Earnings per 10p share came through at 2p (losses 1.9p).

For the year to September 30, 1984, Borthwick achieved pre-tax profits of £4.19m from a turnover of £541.79m.

● comment

The four-year recovery programme at Thomas Borthwicks appears to be consolidating although a change in the slaughtering season in the Southern Hemisphere could be tilting most of the good news into the first half. Although the turnover pattern remains much the same, the early start-up in New Zealand has clearly helped—especially if it can be sustained. In the UK the company has switched downstream from frozen carcass sales to being more retail and customer oriented—the contract to supply Marks and Spencer with chilled lamb being a product of this. In Australia, however, losses are still being made although these are "considerably less" than last year's undeclared total. Gearing remains dizzily high at over twice shareholders' funds—the only comfort being that it was twice as bad four years ago. Reducing the gearing is taking time as is restoring dividend payouts. For the year to September analysts are forecasting pre-tax profits of £5½m which with a 50 per cent tax charge suggests a prospective multiple of almost 8 on 39p. The possibility of a funding exercise plus a weaker second half outlook may not leave much room for any further rerating.

W'hampton & Dudley higher

THE expansionist policies of Wolverhampton & Dudley Breweries are continuing to serve the company well. In the first six months to the end of March 1985, turnover rose by 11.9 per cent and pre-tax profits were almost 11 per cent higher.

Eight new public houses were opened before Christmas and a further four in time for Easter. Another five are under construction as part of the company's aim to move away from its base in the depressed West Midlands.

The chairman, Mr Edwin Thompson, says that the policy of building new premises in new areas is proving successful, despite the continuing difficult conditions in the West Midlands.

Turnover for the Bank's brewer rose from £44.01m to £49.26m, giving a taxable profit of £6.68m, against a previous £6m. With tax at £2.8m (£2.7m) and extraordinary credits, being the net profit from the sale of properties, down from £394,000 to £260,000, net profit came out at £4.11m, up from the previous first-half figure of £3.7m.

Earnings per share were up by 16.66 per cent from 10.2p to 11.9p.

Mr Thompson says that pre-tax profits were held down by the extremely high level of interest rates in the UK from the end of January this year.

The interim dividend is being increased from 2.55p to 2.85p. Last year a total of 7.6p was paid.

"I am confident that our current strategies will sustain our very satisfactory earnings growth record to date," says the chairman.

In recent years the company has grown both by building new public houses and buying other companies. In the 1983-84 year it acquired 22 premises, including 14 owned by Cheshire Inns and a further five in Manchester from the Grand Metropolitan subsidiary Wilsons Brewery. The company expanded into Leicestershire and Bristol as well as Manchester and Cheshire.

● comment

The strategy remains constant at Wolverhampton and Dudley—pub by pub expansion outside its traditional heartland to improve its market share. A rather staid approach it may appear but there is no disputing its effectiveness. While other regional breweries are watching their beer volumes decline under the constant pressure of the nationals with their lagers, Wolverhampton is managing to increase its volume. In the first half there was a 1 to 2 per cent improvement with lager only taking a modest part in that rise. Although the group never quantifies its lager sales they are probably somewhere between 10 and 15 per cent with Harp—which Wolverhampton sells but does not brew—dominating. On average one new pub opens its doors each month though this year the total could be nearer 17 at a cost of close to £½m a go. That level of capital commitment, funded by short term debt, takes its toll on profits but even so around £15m pre-tax looks likely for this year. The shares have enjoyed a fairly good run recently so there is unlikely to be much action in the near-term but at 326p, where the prospective p/e is 11½, they remain soundly rated.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: A. and P. Appledore, Hawtin, M. and G. Group, Richards.

Finals: Anglo-Indonesian, Boots, Extel, Hunter Saphir, Jermyn Investment, Lep Group, Portsmouth and Sunderland Newspapers, Wattom Brothers.

FUTURE DATES

Interims—

Carlton Communications	May 31
Grootvlei Proprietary Mines	June 5
Irish Distillers	June 6
Keystone Investment	June 5
Marievale Consolidated Mines	June 6
Piccadilly Radio	June 7
St Helena Gold Mines	June 6
Stilfontein Gold Mining	June 6
West Rand Consold. Mines	June 6

Finals—

Buffelsfontein Gold Mining	June 6
FKI Electricals	June 3
Holden Hydroman	June 4
Plysu	June 4
Regalian Properties	June 11
Scantronic	June 26
Sisters Food Products	June 12
Trans-Natal Coal	June 5
UKO International	June 4

هكذا من الأصل

UK COMPANY NEWS

Vickers' share price falls as Steinberg sells stake

BY LIONEL BARBER

MR SAUL STEINBERG, the controversial Wall Street financier, has sold his 6.6 per cent stake in Vickers, the UK engineering group, which makes military tanks and Rolls-Royce cars.

The news sent the Vickers' share price plummeting by 19p to close the day at 297p, wiping more than £18m off its market value. At one time, after the disclosure of Mr Steinberg's holding, the price touched 342p.

Mr Steinberg's recently greenmailed Walt Disney Productions in the U.S., from which he made a $32m profit. His investment in Vickers was seen as a possible prelude to a takeover bid.

Mr David Plastow, Vickers' chief executive, said yesterday that the disclosure of Mr Steinberg's stake last month, through his Reliance Group Holdings, had caused "a mild stimulation" to Vickers management, but there had been no panic.

"We would have been more worried o year ago," he added. At the time Vickers' share price stood at a substantial discount to asset value.

After heavy restructuring, Vickers raised last year pre-tax profits from £18.3m to £29.5m, on reduced sales of £529m (£633m).

It appears to be on the brink ol a major acquisition.

"Watch this space," said Mr Plastow. He hinted that the group was keen to expand its health care and instruments business. Last year, the division made £3m (£2.2m) pre-tax profits on turnover of £27.5m (£27.2m).

Mr Plastow said there were enormous opportunities for growth in the health and instruments market, though the group was also looking for organic growth in its other core businesses such as marine engineering and office furniture.

He added he was a great admirer of Smiths Industries, which had transformed itself from a basic engineering group relying on the automotive sector to one specialising in instruments, health care and aerospace.

Last month, Vickers paid £15m cash for Comforto, a privately-owned West German office furniture business, in a move which opened up the German-speaking markets in Europe, as well as giving it a toehold in tha U.S.

It is likely that any acquisition in the health-care business would involve trying to break into the huge U.S. market, something which the new internationally-minded Vickers seeks to emphasise.

Herman Smith disposal plans

BY ALEXANDER NICOLL

Herman Smith, the West Midlands engineering group which has had its shares suspended since February, yesterday reported sharply higher first half losses ond detailed plans to sell two of its three remaining subsidiaries.

One of the subsidiaries to be sold is the 51 per cent-owned Herman Smith Hilco. Flight Refuelling, the aircraft and defence component makers, is buying the holding, and the Dudley property from which HSH operates for a total of £1.97m. Hitco, a subsidiary of Armco of the U.S., continues to hold the remaining 49 per cent.

Herman Smith had already announced plans to sell its precision engineering subsidiory to Darchem, a subsidiary of William Baird. It now expects the £1.25m sale to be completed tomorrow.

Proceeds of both sales will be used to repay bank borrowings. The one remaining division, Herman Smith (Euroeraft), is currently operating at a loss, but the company believes that it has profit potential and will seek to develop it. It makes metal enclosures ond assemblies for the telecommunications industry.

Herman Smith said its bankers have indicated their continuing support, but that the shares will remain suspended until it has completed the sales as well as talks with tha bonks.

Herman Smith had pre-tax losses of £671,704 in the six months ended December 31, 1984 compored with a £186,092 deficit in the 28 weeks to January 14, 1984. Turnover rose from £4.89m to £5.27m.

The latest loss included £252,000 costs of reorganising its presswork division — now closed —and the precision engineering subsidiary.

The losses, however, were before the company's £115,679 share of tho loss of HSH. Flight Refuelling plans to placa an order with HSH, to be renamed FR Hitco, for airframe parts for an air vehicle in the Phoenix battlefield surveillance system. HSH was set up in 1981, ond the new order is expected to make it profitable by 1986.

RTZ offshoot agrees purchase with ITT

ITT Corporation yesterday said it had reached preliminary agreement to sell Pennsylvania Glass Sand Corporation to U.S. Borax & Chemical Corporation, the Los Angeles-based subsidiary of Rio Tinto Zinc.

The sale price was undisclosed, though it represents less than 5 per cent of the net assets of Rio Tinto Zinc. Based on shareholders' funds in 1984 of £2.354bn, this would amount to not more than £117m.

Last year, Pennsylvania Glass had sales of $53.5m. The company owns and operates seven silica sand production sites end a clay operation in the U.S. It is based in Berkeley Springs, West Virginia.

Mr Carl Randolph, president of U.S. Borax, described the acquisition as an excellent fit, providing the company with en important expansion into tha industrial minerals market in tha U.S.

ITT has faced strong pressure from a group of shareholders led by Mr Irwin Jacobs, the Minneapolis investor, to spin off its operations and restructure itself into three or four separate companies.

ITT's management recently announced plans to divest itself of assets it values at $1.7bn to reduce debt. Since the divestiture plan was announced last January, it has agreed to sell off about $700m worth of companies. This includes the plan to float shares in its UK insurance company Abbey Life.

The final agreement to sell Pennsylvanio Glass is likely to be reached by the end of next month end the transaction should be elosed in the autumn.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Archimedes Inv ......int	4.4	Aug 5	4	—	9
Assoc Fisheries	0.25	July 19	0.25	—	2.75
Capital & Counties	3.7	July 29	3.3	3.3	4.7
Capital Searing	0.2	—	0.18*	0.2	0.18*
Carless Capel	1.75	—	1.75	2.75	2.75
Chesterfield Props	6.5	July 20	5.5	10.5	9.25
Coalite	4.65	Aug 5	4.13	6.43	5.8
Frank G. Gates	3	July 16	3	3	3
Harrisons & Crosfield ...	15.5	July 23	13*	20	17*
Herman Smith ......int	nil	—	0.2	—	0.2
Leeds Group ....int	2.25	July 1	1.75	—	5
MEPC	2.5	July 11	2.5	—	9
Smith Bros	4.5	Aug 3	4	6	5
Tate & Lyle ....int	7.5	July 26	6.5	—	19
TR Property	2.2	July 31	1.95	3.55	3.15
Wolverh'pton Brews int	2.85	July 1	2.55	—	7.6

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

Associated Fisheries recovers to near £1m

LARGELY THANKS to improvements in operations not directly related to fishing and fish trading, Associated Fisheries made a comeback in the first half to March 31, 1985, and lifted taxable profits by 75 per cent to just under £1m.

The upturn was assisted by an increase in investment income and a drop in interest payable, but still represents progress after the dip in profits in the last full year. The shares rose 4p to close at 108p.

Losses deepened on the fishing side, where the group is in the process of selling its fleet, and returned on operating loss of £161,000 against £101,000. Fast food moved from o £65,000 profit to a loss of £120,000, but food processing and trading improved slightly to turn e £12,000 loss into a £34,000 surplus.

In the company's other activities, cold storage, transport and warehousing moved ahead from £535,000 to £778,000, engineering improved by £87,000 to £244,000, and agency ond trading was up from £367,000 to £441,000.

From turnover ahead by £6.46m at £42.1m, total operating profits came to £889,000 against £673,000. The taxable outcome —up from £546,000 to £956,000— included investment income £155,000 higher at £359,000, but was after interest of £292,000 (£331,000).

The interim dividend is held at 0.25p. Last year's total was 2.76p. Earnings per share are stated to be 3.19p (1.55p), after tax at £380,000 (£250,000) and minorities of £3,000 (£10,000).

The directors expect thot the current year's outcome will compare favourably with last year's.

Great Portland Ests.

In an agreed deal worth around £13m, Great Portland Estates has ocquired the unlisted Limco Group, a Croydon based property investment and development company.

Mr Richard Peskin, Portland's managing director, said thot Limeo's portfolio — valued in excess of £17.5m lost February —provided a spread of properties complementary to its own, with a high quality income stream.

Greot Portlond is to give 13 of its own shores, plus 50p in cash, for each Limeo share. Great Portlond closed 4p down last night at 154p

Kleinwort Benson forced to resign as adviser to BAGS

BY ALEXANDER NICOLL

Kleinwort Benson, investment manager of British American and General Trust (BAGS), has been forced by the Takeover Panel to step down as financial adviser to the trust in its defence against a hostile £63m takeover bid from Shires Investment.

Robert Fleming has been appointed in its place.

The Panel has previously had reservations about merchant banks doubling as both managers and advisers of investment trusts. But it is understood now to be viewing the issue with greater seriousness.

The Takeover Code states: "The Panel will not regard as an appropriate person to give independent financial advice a person who has a significant interest in or financial connection with either the offerer or the offeree company of such a kind as to create a conflict of interest for that person."

Kleinwort's interest in BAGS as a fee-paying customer—and the loss of fees if the takeover bid is successful—appear to have provoked the Panel to invoke this rule.

The move could be a blow to a number of merchant banks which manage investment trusts and find them under growing threat from predators who often have the backing of increasingly demanding institutional shareholders.

The Panel is considering whether to make a general ruling on the issue.

Meanwhile, Shires yesterday waived o condition of its offer for BAGS. It had said that it would not proceed if BAGS completed the £4.2m purchase of high technology stocks. Yesterday, it said that it regretted that BAGS completed the purchase "without seeking the approval of shareholders and in spite of opposition from a number of their institutional shareholdors."

Shires added, however, that it was "all the more determined to pursue its offers."

Parkfield £2m expansion

BY ALEXANDER NICOLL

Parkfield Group, a USM-quoted foundry concern, is expanding into distribution of electrical goods with the £1.9m purchase of Foster Electrical Supplies from Thorn EMI.

Foster is one of a series of distribution subsidiaries to be sold by Thorn.

Mr Roger Folber, Parkfield's chairman, said the company had been seeking another activity to reduce its dependence on iron-founding. Parkfield plans to expand the range of goods now distributed by Foster to 1,600 UK wholesalers, and may add non-electrical and imported goods.

Profits at Foster have declined from £500,000 three years ago to £36,087 in the year ended March 31 1985, before tax but after non-recurring charges of £33,500. Turnover was £10.5m.

The purchase price is £237,000, but Foster will also repay to Thorn £1.63m of inter-company debt. Parkfield has financed the acquisition with a vendor placing at 52p per share.

Brammer sets meeting date

BY ALEXANDER NICOLL

BRAMMER the bearings distribution group, has set June 14 as the date for a crucial shareholders meeting to vote on its proposed £44m acquisition of Energy Services & Electronics, the equipment rental concern.

A £116m bid for Brammer itself from Bunzl, the paper products group, is conditional on the ESE purchase being blocked at the EGM. If Brammer shareholders back the company's management, the Bunzl bid must lapse.

Bunzl and Brammer are expected to lobby intensively ahead of the meeting. Bunzl argues that the acquisition of ESE is ill-conceived and a defensive ploy against its bid.

Brammer secured ESE's agreement to an increased offer after Bunzl moda its move. Mr John Head, Brammer chairman, said in a letter to shareholders yesterday: "The services which we (Brammer and ESE) both provide and the customers we serve are in many respects complementary and there is great potential for accelerating the growth of our two companies by combining them.

MINING NEWS

Mobil sells off mining interests in £92m deal

BY KENNETH MARSTON, MINING EDITOR

ANOTHER major oil company, Mobil of the U.S. is divesting itself of mining interests.

In a C$160m (£91.8m) deal Canada's gold-producing Dome Mines is to acquire from subsidiaries of Mobil some 53 per cent of McIntyre Mines and 7.8 per cent of Falconbridge.

Dome Mines does not contemplate any follow-up offer to other shareholders in the two Canadian mining companies.

The acquisitions will be financed by an issue of new shares. A preliminary prospectus is to be filed this week regarding an offering of 9m-10m Dome Mines units, each consisting of one common share and one-half of e common share purchase warrant.

The offering will be made outside the U.S., in Canada and elsewhere, via s group of investment dealers led by Dominion Securities Pitfield, Burns Fry and Wood Gundy. Dome Mines is also seeking to arrange the placement of additional units with U.S. investors to provide for the balance of the purchase price.

Mobil's interest in McIntyre Mines and Falconbridge came about via last year's U.S.$5.7bn acquisition of the U.S. Superior Oil group. The last-named holds some 53 per cent of McIntyre Mines which, in turn, owns about 22.2 per cent of Falconbridge.

The divestiture plans of Mobil do not only concern its mining interests — the company retains coal properties in Wyoming — but also include other non-energy interests such as the U.S. Montgomery Ward department store chain which is expected to be hived off.

The aim is to reduce Mobil's debt burden which resulted from the Superior Oil purchase and, at the same time, to allow the oil group to concentrate on the business that it knows best: in recent years both oil and mining majors, notably in North America, have bad reason to regret past diversification.

Another factor in the proposed sale of the Canadian mining interests, reports Bernard Simon from Toronto, reflects Mobil's protracted discussions with the Canadian government on increased local participation in Mobil's Canodian operations in return for official approval of the take-over of Canodian Superior Oil, the wholly-owned subsidiary of the U.S. Superior Oil.

From Dome's point of view the stakes to be purchased in the coal-producing McIntyre Mines and the nickel and cobalt-producing Falconbridge will broaden its mining interests into the non-precious metals area.

The prize is the direct and indirect holding to be acquired in Falconbridge. The latter earned C$80.2m last year, after taking in extraordinary credits of C$51.5m, compared with a loss of C$16.6m in 1983. Earnings move ahead to C$12.2m in the first quarter of 1985.

Meanwhile, Dome Mines announced at yesterday's Toronto meeting that it aims to raise this year's gold production to 454,000 oz compared with 431,000 oz in 1984.

Mr Fraser Fell, the chairman, added that tha 22.3 per cent-owned Dome Petroleum "will be generating positive earnings again before too long," now that it has completed its debt restructuring.

IMC expanding in Brazil

THE Chicago-based International Minerals and Chemical Corporation (IMC) plans to open a titanium mine and processing plant in the state of Goias in central Brazil at a probable cost of between US$150m (£120m) and $200m, reports Andrew Whitley in Rio de Janeiro.

IMC, one of the world's leading fertiliser producers, expects to sign final contracts for o 25-year lease over large reserves of the rare metal anatase from Metago, the state-owned mining company, within the next two months.

Almost the entire output of the processing plant, which will have an installed annual capacity of 300,000 tonnes of titanium concentrate, will be exported, as Brazilian consumption of the metal is correntty very small.

Local production of titanium concentrates is confined at present to two mines, one in Paraiba based on ilmenite and operated by a privately-owned Brazilian company, and an anatase mine in Goias owned by Companhia Vale do Rio Doce, tho state-owned mining corporation. Both hove recently announced expansion plans.

* * *

South Africa's gold-producing Vaal Reefs, in the Anglo American Corporation group, says that following the recent labour unrest an active recruitment campaign is expected in bring the labour force to full strength by the end of this month.

Full production at the mina's South division — from which Southvaal draws royalties — should be attained shortly thereafter.

It is added that output in the South division will resch about 70 per cent of normal during tho current quarter to June 30 but it will only be possible to assess accurately the effect on profits of Val Reefs and Southvaal by the end of the quarter.

Plantation interests boost Harrisons & Crosfield

THE YEAR 1984 was good for **Harrisons & Crosfield**, with a more than doubled contribution in plantation interests helping to push up the group pre-tax profit by 47 per cent, from £56.6m to £83.2m.

This turns out to be some £1m ahead of the minimum forecast in February when the group made an offer (eventually successful) for Pauls. A final dividend of 15.5p was promised—this is being met and gives a total for the year of 20p per share, against an effective 17p adjusting for a 1-for-1 scrip issue.

Earnings rose from 24.5p to 38.8p per share. Shareholders funds now exceed £500m.

Profit before interest expanded from £65.7m to £97.3m. On a geographical basis this was split as UK £26.2m (£29.3m), Asia £54.4m (£26.2m), and elsewhere £16.7m (£10.2m)—mainly North American, Australia, New Zealand, Papua New Guinea, and Europe. Interest charges were much heavier at £14.1m (£9.1m).

Plantation interests contributed £49.4m, compared with £22.1m, thanks to higher crops and good prices, the latter in a number of cases being above average.

The chemicals and industrials side lifted its profit by £2.1m to £16m. Led by British Chrome and Chemicals, profits from all the UK and European manufacturing operations were ahead. Good performances in chemical distribution from Australia, UK and two of the American units were not matched by the companies along the North East coast of the U.S., or in Canada where results were poor.

Alan Harper

Mr Thomas Prentice, the chairman

In timber and building supplies volume of business dropped quite significantly in the latter part of the year. The profit showed a slight reduction to £11m (£11.6m).

On general trading the directors report that the recessionary conditions affecting the Eastern companies have not abated. Excellent results were again achieved by the jute marketing activities and the profit came to £7.9m (£6.8m).

Turnover in 1984 topped £1.5bn (£1.1bn). Net profit available for the ordinary came to £47.2m (£30.6m) and there are extraordinary credits of £10.8m.

● comment

Booming plantation profits have brought Harrison and Crosfield in just ahead of brokers' forecasts—although the market's reaction appears to be to take some profits every time the trader comes up with some good news. The performance of three of the six divisions—namely chemicals and industrial, timber and building supplies and general trading—in the second half gives some cause for concern, however. All three experienced lower profits than in the second half of 1983—a factor reflected in the drop in UK profits before interest and tax at the year end. The secret of the plantations' success has to be the strong palm oil prices where the profit per tonne is now £240, a margin that looks sustainable through 1985 given the problems in the soya complex. Production of palm oil is expected to increase by 11 per cent this year which should be more than enough to keep the group's plantation division contribution buoyant. The weaker divisions in 1984 will probably benefit from any weakening in the dollar. The recent £115m acquisition of Pauls should contribute some £10m for the nine months it will be consolidated and the cost of the purchase is mainly containable within the cash flow and balances held by the group. For 1985 the market is looking for £95m pre-tax which on a 40 per cent tax charge suggests a multiple of 9.5 on 447p down 3p—surely leaving plenty of room for further advances.

Coalite trading hit by pits strike

TRADING profits for the 1984-85 year at Coalite Group fell from £27.89m to £27.32m, but an increase in net interest receivable left the company with a slim rise in profit at the taxable level.

The year to March 31 1985 turned in pre-tax profits of £33.47m against £32.53m. The period coincided almost exactly with the duration of the miners' strike, which had an adverse effect on the company's performance at the interim stage. The mainstay of the group's business is the processing and distribution of solid smokeless fuels.

Turnover was slightly up at £466.78m against £441.77m. Other activities include oil and chemicals' processing, vehicle building and distribution, transport, warehousing and shipping services, builders' merchanting and instrument manufacture.

It also controls the Falklands Island Company, the main sheep farming operators on the South Atlantic islands. It is chaired by Mr Eric Varley, former Cabinet Minister in 1970s Labour Governments.

The result was after a £6.15m (£4.64m) credit for interest receivable and was subject to tax at £15.36m against £13.6m.

The final dividend is lifted from 4.13p to 4.65p net per share for a total of 6.43p (5.8p), which will account for £5.53m (£4.99m) of attributable profits. These stood at £18.11m against £17.94m after a £1.99m extraordinary charge last time.

Earnings per share are stated at 21.06p, down from 23.17p.

● comment

Credit must be given to Coalite for all but maintaining its trading profit despite the effects of the miners' strike, which may have cost a total of £5m during the year in lost production at its Yorkshire and Doncaster factories. The company's other activities had a strong year, and increased profits by more than 30 per cent to £7.1m, although as usual no detailed breakdown is provided. A much higher tax rate caught some analysts by surprise, and was apparently due to PRT paid on its purchase of a 1 per cent stake in the Claymore field, not offset by higher exploration costs. Prospects for the current year should be viewed with caution. Although trading is satisfactory so far the company will have to struggle to regain its solid fuel customers lost last year, and profits from this source may not quite reach 1983 levels, assuming that the latest dispute in the coalfields blows over quickly. A total of £38m pre-tax would put the shares on a p/e multiple of 9 with the shares as at 240p based on a lower rate of 39 per cent.

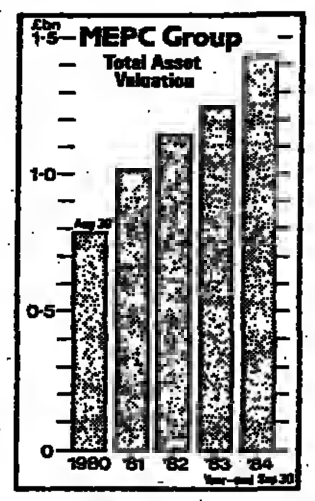
MEPC up 13% so far and expects trend to continue

MEPC, Britain's second largest property company, has reported a 13 per cent increase in taxable profits for the first half of the 1984/85 year, and the directors expect the improvement to continue in the current half.

Pre-tax profits for the six months to March 31 1984 were up from £21.77m to £24.67m. The market had been expecting something around this figure, but marked the shares down 3p to 299p on the announcement.

The interim dividend is held at 2.5p net per share, at a cost of £5.11m, with earnings per share shown at 7.4p against 6.6p.

Mr Robin Adam, the chairman, says that since his last report in December 1984, the development programme in the UK has progressed satisfactorily, and five new projects have commenced. Overseas, the second phase of the Colonnade development in Dallas, U.S., will be completed this summer.



As regards current operations, he says that the group's investment portfolio continues to perform well, particularly in the UK and Australia. In the U.S. it has disposed of its Houston and Hawaii interests. Provisions were made against these properties in earlier years, and the sales have realised book value. Mr Adam adds that there should be some increase in revenue profits as a result of these disposals.

Net income from investment properties rose from £34.66m to £37.51m, before administrative and other expenses up from £3.01m to £3.26m. Other income added £8.99m (£6.26m), but finance charges were up from £16.14m to £16.57m.

The result was subject to tax at £9.34m against £8.11m, for a net figure of £15.33m (£13.66m). At the attributable level profits were up from £13.46m to £15.1m, of which the company will retain £9.99m (£8.35m).

For the full year to end September 1984 MEPC improved taxable profits by just under £5m to £45.15m, and paid a total dividend of 9p. Mr Adam said then that he regarded the continual modernisation of the group's portfolio as essential to protect and increase asset values, and that any buildings which were not capable of meeting the standards required would be sold.

Capital & Counties profits slip under £10m

A SHARP downturn by **Capital & Counties'** housebuilding operations over the second six months virtually eroded income gains of nearly £2m from property investment and left the group trailing at 12 months.

At the pre-tax level profits fell from a restated £10.47m to £9.96m having shown an improvement of almost £1m at the six months' stage.

Operating income from property investment advanced from £10.36m to £12.2m in the year to March 25 1985 but the contribution from housebuilding fell by £1.82m to £1.9m. Property trading operations produced £840,000, compared with a previous £991,000.

However, revenue earnings came through marginally ahead at 9.21p (9.11p) per share and an increased final dividend of 3.7p (3.3p) lifts the net total from 4.7p to 5.3p.

Administration expenses rose to £2.58m (£2.27m) and net interest charges from £2.44m to £2.97m. Other income added £254,000 took £110,000) and the share of associates' profits increased from £224,000 to £317,000.

Tax was cut by £485,000 to £2.88m which left the available balance marginally higher at £7.08m, against £7m.

In accordance with the provisions of SSAP 20 (foreign currency translation), exchange differences arising from the retranslation of the opening net investment in overseas companies have been recorded as an adjustment to the appropriate opening reserves.

This resulted in £589,000 (£1.25m) being taken directly to reserves.

A professional valuation of the group's investment portfolio on an open market basis at March 25 1985 threw up a surplus of £11.5m.

● comment

The good news is that Capital and Counties profits are [illegible]m or so above expectations. Property investment income jumped by 18 per cent thanks to an extra £1.1m from reversions on existing properties and the inclusion of £0.7m on properties previously within the development category — the Wakefield retail development for example. Housebuild enjoyed a bumper second half and the division's contribution almost doubled for the year after adjusting 1984's figure for a one-off £2.6m profit. The bad news, however, is what caught the market's eye yesterday and that was the surprisingly low increase in the valuation of the investment portfolio (à la Land Securities) which left the fully diluted net asset value at just 258p. Even with some unexciting figures coming in from elsewhere in the sector, C & C was expected to achieve something above the norm because of its retail commitment. Retail values actually held up well enough—typical rises were 6 to 7 per cent—but write-downs on provincial offices and a reappraisal of the way the large Strand property is valued depressed the overall effect. The Strand property alone resulted in a £1.4m reduction in the office content. Perhaps next year's valuation will be better but in the meantime a 21 per cent discount to nav. At 203p suggests the shares are fairly valued against the sector.

Leeds Group 37.5% higher

FIRST-HALF profits before tax from the Leeds Group have expanded by 37.5 per cent, from £637,000 to £876,000, the interim dividend is raised by 0.5p, and the outlook is promising.

The profit for the period to March 31, stemmed from turnover ahead 41.3 per cent, from £5.03m to £7.11m, and was struck after depreciation of £211,000 (£187,000). The interim dividend is 2.25p net—total for the year ended September 30 1984 was 5p paid on profits of £1.42m.

Reporting the half year, the directors say while the branches of Leeds Dyers have all continued to move ahead strongly, each of the other divisions made useful contributions.

New plant and increased shift working in the textile division have increased sales by some 35 per cent, and consequent reduction in the proportion of fixed costs to turnover has allowed better profits to come through.

The second half has opened with all units operating near capacity and if the momentum can be maintained, the outlook is promising.

The one serious drag on production and profit has been the increased costs of inconsistent coal supply caused by the miners' strike. The company is now once more starting to receive high-quality fuel from the Yorkshire pits, and expects significant benefits to follow.

Leeds Leasing has written £500,000 of new business in the period and will contribute to group profits this year.

West Yorkshire Insurance, in which the company holds a 40.5 per cent share, is developing to plan and is a beneficiary of higher interest rates.

After tax £360,000 (£250,000), the half-year's net profit came to £516,000 (£387,000) for earnings of 8.3p (6.2p) per share.

Chesterfield Properties earnings rise

With earnings per share rising from 14.91p to 18.83p in 1984, Chesterfield Properties is lifting its dividend by 1.25p to 10.5p net, the final being 6.5p. Reflecting a revaluation of the investment properties, the year-end net asset value has increased to 572p, against 545.4p a year earlier.

In the year net income from completed properties and other activities expanded from £6.26m to £7.18m. Rental income showed a rise from £7.68m to £8.76m, and other activities from £1.01m to £1.09m.

Interest charges absorbed £740,000 (£654,000), excluding development outgoings of £2.37m (£1.73m), or £1.35m (£878,000) net of tax relief. After tax £2.7m (£2.66m) net income available comes through at £3.74m (£2.94m) and the cost of the dividend is £2.1m (£1.83m).

Capital Gearing

By April 5 1985, the net asset value of Capital Gearing Trust had risen to 90.2p per share, compared with 70.24p at October 5 1984

For the year expenses again outstripped income, and there is a net profit of £5,164 (£4,262) only after transferring £14,860 (£15,386) from capital reserves.

Earnings are shown to be 0.23p (0.19p) and the dividend is in effect lifted from 0.175p to 0.2p

House of Fraser

The agreed bid by the House of Fraser subsidiary, **John Barker and Co.** for the Wolverhampton-based funeral director, **Ingall Industries**, has been declared unconditional.

Acceptances for the ordinary shares have been received from holders representing 73.7 per cent. In addition House of Fraser has bought 1.12m ordinary (12.3 per cent).

The bid is not to be referred to the Monopolies and Mergers Commission.

Yearlings total £6m

Yearling bonds totalling £6m at 12¼ per cent, redeemable on June 4, 1986, have been issued by the following local authorities.

Middlesborough (Borough of) £0.5m: Cumbernauld and Kilsyth District Council £0.5m: Tamworth (Borough of) £0.25m: Torfaen Borough Council £0.5m: Swansea (City of) £1.0m: Dundee (City of) DC £1.5m: Derwentside DC £0.25m: West Wiltshire DC £0.5m: Newcastle-upon-Tyne (City of) £1.0m.

Archimedes Trust

A further improvement has been shown in the net asset value of **Archimedes Investment Trust**, and by the end of last month it stood at 261.13p.

That compares with 231.67p at the end of October 1984 and with 219.75p six months earlier.

For the six months ended April 30 1985 net revenue per income share had fallen from 5.26p to 5.14p, but the interim dividend is lifted to 4.4p (4p). Gross revenue was £99,355 (£100,582) and the net figure £62,938 (£64,430), after tax of £36,974 (£27,613).

Frank Gates

Frank G. Gates, the Ford main dealer, lifted its turnover from £42.71m to £44.58m during 1984 but saw its profits before tax slip by £47,000 to £1.15m.

Tax was reduced by £68,000 to £460,000 and extraordinary credits totalled £149,000, compared with £29,000. Earnings per share amounted to 8.2p (7.9p). Dividend is a same-again 3p net per 25p share.

Henderson Group

Henderson Group has written to shareholders of **R. Cartwright (Holdings)** to confirm that it is not willing to pay 180p a share to win its opposed bid for the Midland's builders supplies company.

The Cartwright share price has fallen 20p to 160p over the last few days. Henderson made an all-share offer for Cartwright last month, the five-for-nine bid placing an implied price of 130½p a share on the target.

Wold's USM share offer oversubscribed 33 times

BY LUCY KELLAWAY

THE FIRST offer for sale by a U.S. bank on the London market has met with an enthusiastic response as applications worth £169m have been received for less than £5m worth of shares in **Wold**, the frozen green vegetable processor that is joining the USM.

The offer by Citicorp Investment Bank and Phillips and Drew, the stockbroker, was nearly 33 times oversubscribed with 5.3m shares at 95p being chased by applications for 177.4m shares.

Most of the shares will be allocated by a weighted ballot, which will give successful investors between 200 and 400 shares each, while those applying for very small numbers of shares will receive none, and those for large amounts will get only three per cent of the amount applied for.

Despite the huge oversubscription, the City does not think the issue has been under priced, and the jobbers are expecting a premium of about 20p when the shares open on June 3.

"One of two things can happen in a small offer for sale: either you get zero applications or else you get a great many. When so much of the money is speculative you are likely to get heavily oversubscribed issues," Mr Alistair Alcock of Phillips and Drew said yesterday.

The most recent offer for sale on the USM was John Perkins Meats which was subscribed just 1.1 times.

Shares in Wold will be allocated as follows: applications for less than 200 shares will get none; 200-9,000 will be allocated by weighted ballot, with 200-1,000 receiving 200 shares, 1,500-5,000 getting 300, and 6,000-9,000 getting 400. Applications for more than 1,000 will receive 3 per cent of their application.

Tesco rights result

Acceptances of the Tesco rights issue were received in respect of 63.33m shares (93.3 per cent of the issue). The remaining 4.51m shares have been sold in the market at an average net price of approximately 35.55p per share. It is expected that cheques will be posted to non-accepting shareholders by June 7, but no payments of less than £2 will be made.

TR Property Investment moves ahead

Net income of the **TR Property Investment Trust** for the year ended March 31, 1985 rose from £1.45m to £1.75m. This equals earnings of 4.02p, against 3.31p, per share, and the dividend is increased from 3.15p to 3.55p net with a final of 2.2p.

At the year end net assets value was shown to be 177.4p per share, rising from 157.1p a year earlier. Of total assets, 60 per cent was invested in UK property, 18 per cent in the U.S., 7 per cent in Australia, and 6 per cent in the Pacific Basin.

The company increased its U.S. dollar loan facility from $3m to $11.7m, and intends to maintain and continue these loans for the foreseeable future.

As a result of the increased borrowing in the U.S., the portfolio there is now approximately 50 per cent hedged on capital and 95 per cent hedged on prospective income.

In 1984-85 total dividend and interest income came to £3.2m, a rise of £404,000 over the previous year. Expenses and interest payable totalled £734,000 (£572,000) and tax was £786,000 (£816,000).

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Thursday May 30 1985

Malaysia and Nigeria sign palm oil deal, Page 48

Ø

WALL STREET

Lukewarm reception to tax plan

PRESIDENT Reagan's plan for reform of the U.S. tax code yesterday met a lukewarm reception on Wall Street, *writes Terry Byland in New York.*

While some analysts believe that a reduction in personal income taxes could stimulate equity trading in the long term, they expressed concern about the shorter-term prospects for corporate earnings as companies face higher tax charges.

At the close the Dow Jones industrial average was up 1.46 at 1,302.98.

Oil stocks eased again as the market braced itself for further reductions in world oil prices. The high-technology sector had another nervous session, as Texas Instruments joined the list of companies showing the strain of competition in the industry.

In the credit markets, rates edged higher despite a federal funds rate still below 8 per cent and a round of customer repurchases by the Federal Reserve.

The Dow average quickly dipped below 1,300 again in early trading, which was featured by a spate of selling by private investors and contrasted with the institutional support seen at the close of the previous session. Trading died down at midsession, but little recovery was made.

Blue chips were restrained by weakness in oil stocks, which continued to discount a cut in crude prices by Norway. Exxon, a major constituent of the Dow average, fell $¼ to $53¼. Standard Ohio slipped $¾ to $48¼, and others to give ground included Texaco, $⅝ down at $36½, and Atlantic Richfield, $½ off at $60⅝. Schlumberger, whose fortunes are tied to oil search activity, fell $1⅛ to $38⅛.

In computer stocks, Texas Instruments (TI) plunged $2 to a new 12-month low of $87½ after First Boston, the major investment bank, cut its earnings forecasts and removed TI from its recommended list. Removal from the "core list" of a major Wall Street house, in the wake of TI's changes in senior management, is a serious blow for the computer company.

IBM dipped $¾ to $129⅝, Digital Equipment $⅞ to $105⅛, and Burroughs $¾ to $63¾. At $23½, AT&T gave up $⅜ after Dean Witter Reynolds downgraded its profit forecast – and despite the favourable outcome to the MCI communications suit.

Almost the only firm spots came among aerospace stocks, which lost ground last week when the Senate was debating the proposed budget cuts. President Reagan's plan may help defuse the Democrat attacks on defence spending. Lockheed, $⅛ up at $53, and McDonnell Douglas, $⅞ higher at $75⅞, were good features.

Airlines drew little benefit from the expectation of a reduction in fuel bills. With the pilots' strike still in place, United eased by $⅛ to $47⅞. Pan American eased $⅛ to $6⅛.

TWA, having put itself up for sale in an attempt to ward of Mr Carl Icahn, put on $⅛ to $18 in brisk trading.

Among communications stock, Time Inc remained unchanged at $53 after joining with Telecommunications to buy Warner-Amex, the cable TV venture of Warner Communications, $⅛ better at $28⅝, and American Express, $¼ up at $45⅝.

CBS stock moved up strongly, putting on $3¼ to $115⅞, although the board knew of no reason. Wall Street believes that either a rival bidder will intervene or that CBS will take action to thwart Mr Ted Turner's takeover bid.

In the bond market, prices were a shade off in calm trading. The market awaited the outcome of the auction of $8bn in five-year notes, which include $1bn of foreign targeted stock. As the auction commenced, the notes traded on a when-issued yield of 9.93 per cent, a shade below the rate set at the most recent auction of five-year notes in February 1983.

Short-term issues held steady, with federal funds at 7 13/16 per cent after the Fed's announcement of $2bn in customer repurchases when funds touched 7⅞ per cent.

KEY MARKET MONITORS

STOCK MARKET INDICES

NEW YORK	May 29	Previous	Year ago
DJ Industrials	1,297.63*	1,301.52	1,101.24
DJ Transport	625.59*	628.10	457.82
DJ Utilities	161.88*	162.29	122.54
S&P Composite	187.11*	187.85	150.29
LONDON			
FT Ord	999.1	1,006.5	803.4
FT-SE 100	1,312.0	1,317.4	1,056.1
FT-A All-share	632.95	635.76	490.00
FT-A 500	694.76	697.79	537.39
FT Gold mines	463.0	455.4	672.2
FT-A Long gilt	10.74	10.77	10.86
TOKYO			
Nikkei-Dow	12,767.17	12,694.93	10,164.0
Tokyo SE	997.91	992.35	793.61
AUSTRALIA			
All Ord.	878.7	885.1	676.3
Metals & Mins.	543.8	558.3	450.7
AUSTRIA			
Credit Aktien	97.69	97.27	54.68
BELGIUM			
Belgian SE	2,343.45	2,335.86	—
CANADA			
Toronto			
Metals & Minls	1,999.8*	2,014.06	1,947.0
Composite	2,737.3*	2,739.06	2,222.5
Montreal			
Portfolio	133.94*	134.13	107.63
DENMARK			
SE	n/a	192.20	181.29
FRANCE			
CAC Gen	230.2	228.8	172.1
Ind. Tendance	128.6	127.7	88.7
WEST GERMANY			
FAZ-Aktien	448.19	445.63	345.99
Commerzbank	1,310.1	1,304.2	1,006.4
HONG KONG			
Hang Seng	1,597.71	1,570.84	923.03
ITALY			
Banca Comm.	311.34	308.92	206.70
NETHERLANDS			
ANP-CBS Gen	210.8	210.7	157.5
ANP-CBS Ind	171.3	171.0	126.2
NORWAY			
Oslo SE	n/a	336.28	271.06
SINGAPORE			
Straits Times	816.92	815.20	951.87
SOUTH AFRICA			
JSE Golds	–	1,039.9	988.9
JSE Industrials	–	970.2	965.8
SPAIN			
Madrid SE	109.23	109.81	84.93
SWEDEN			
J & P	1,370.06	1,364.61	1,388.00
SWITZERLAND			
Swiss Bank Ind	431.1	432.5	361.1
WORLD	May 28	Prev	Year ago
Capital Int'l	210.2	210.7	175.2

GOLD (per ounce)

	May 29	Prev
London	$316.50	$309.75
Zürich	$312.75	$311.25
Paris (fixing)	$311.19	$313.32
Luxembourg	$311.00	$314.25
New York (June)	$315.50	$310.30

* *Latest available figure*

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	May 29	Previous	May 29	Previous
$	–	–	1.2675	1.2515
DM	3.078	3.113	3.9	3.895
Yen	251.75	251.55	319.0	314.75
FFr	9.39	9.485	11.9	11.865
SwFr.	2.5875	2.6185	3.2775	3.2825
Guilder	3.471	3.5095	4.4	4.3925
Lira	1,971.0	1,981.5	2,494.0	2,480.0
BFr	62.05	62.65	78.65	78.35
C$	1.3815	1.3785	1.75	1.725

INTEREST RATES

	May 29	Prev
Euro-currencies (3-month offered rate)		
£	12¾	12 11/16
SwFr	7⅛	5 7/16
DM	5 11/16	5¾
FFr	10½	10 9/16
FT London Interbank fixing (offered rate)		
3-month U.S.$	7½	7 11/16
6-month U.S.$	8 5/16	8¼
U.S. Fed Funds	7 13/16*	7¾
U.S. 3-month CDs	7.50*	7.50
U.S. 3-month T-bills	7.24*	7.18

U.S BONDS

Treasury	May 29* Price	Yield	Prev Price	Yield
9⅝ 1987	100 7/32	9.09	100 5/16	9.05
11⅜ 1992	107	10.298	107 9/32	10.25
11¼ 1995	104 25/32	10.449	105 5/32	10.42
11¼ 2015	104 11/32	10.74	104 23/32	10.71
Corporate	May 29*		Prev	
AT & T	Price	Yield	Price	Yield
10⅜ June 1990	100¼	10.30	100⅛	10.25
3⅜ July 1990	79¾	8.90	80¼	8.75
8⅜ May 2000	82⅝	11.15	82	11.25
Xerox				
10⅜ March 1993	97¾	10.95	98½	10.90
Diamond Shamrock				
10⅜ May 1993	97¼	11.05	95½	11.30
Federated Dept Stores				
10⅜ May 2013	92.31	11.55	92	11.20
Abbot Lab				
11.80 Feb 2013	102.959	11.50	102¼	11.55
Alcoa				
12¼ *Dec 2012*	101.996	12.00	101⅝	12.05

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT), 8% 32nds of 100%				
June	76–05	76–11	75–31	76–12
U.S. Treasury Bills (IMM) $1m points of 100%				
June	92.80	92.75	92.73	92.81
Certificates of Deposit (IMM) $1m points of 100%				
June	92.36	92.39	92.33	92.40
LONDON				
Three-month Eurodollar $1m points of 100%				
June	92.07	92.11	92.06	92.16
20-year Notional Gilt £50,000 32nds of 100%				
June	105–28	105–29	105–07	105–06

COMMODITIES

(London)	May 29	Prev
Silver (spot fixing)	477.80p	487.20p
Copper (cash)	£1,178.50	£1,191.00
Coffee (July)	£2,058.00	£2,092.50
Oil (spot Arabian light)	$26.825	$26.725

TOKYO

Hectic pace on way to new peak

FURTHER selective buying of large-capital stocks by institutional and individual investors took the Nikkei-Dow stock average to another record high in Tokyo yesterday, *writes Shigeo Nishiwaki of Jiji Press.*

The index added 72.24 to 12,767.17 on the third highest volume ever of nearly 1.15bn shares against 682.60m on Tuesday.

The market's uneven performance was demonstrated, however, by the fact that declines outnumbered advances 417 to 410, with 123 issues unchanged.

Mitsuhishi Heavy Industries was the most active with a turnover of 51.41m shares, but its price closed unchanged at Y291 because of profit-taking. The stock has gained Y23 since May 15 on consistently heavy turnover.

Sumitomo Chemical, second busiest with 43.86m shares traded, shed Y12 to Y286.

Asahi Chemical climbed Y40 in early trading on volume of 40.7m shares, but late selling meant the shares closed at Y1,070, up Y10. Mitsubishi Chemical dropped Y8 to Y540 after rising Y11 at one stage.

Nippon Express gained Y8 to Y417 with the fifth-largest volume of 31.59m shares.

Real estates generally firmed. Mitsubishi Estate moved up Y17 to Y757, Sumitomo Realty Y34 to Y680, and Mitsui Real Estate Y11 to Y840.

Large trading companies also firmed on hopes of stronger performances because of lower domestic and international interest rates.

Buying interest later spread to some financial stocks with off-the-book asset issues. Tokio Marine and Fire gained Y31 to Y904, Mitsubishi Trust and Banking Y30 to Y960, Sumitomo Marine and Fire Y17 to Y673 and Nomura Securities Y70 to Y1,140.

Electric power and gas utilities opened lower but rallied in late trading. Tokyo Electric Power climbed Y20 to Y2,020, and Tokyo Gas rose Y2 to Y216.

Blue chips remained lethargic with the exception of Sony, which advanced Y50 to Y4,140. NEC shed Y20 to Y1,060. Trading volume of Sony and NEC remained low at 123,800 and 972,000 shares respectively.

Foreign buying and selling orders through the "big four" securities companies swelled to 37m and 36m shares, respectively. An official of Daiwa Securities said foreigners were buying Mitsubishi Heavy Industries and selected real estate, private electric railway and trading house groups.

Bonds opened firm after an overnight gain on the U.S. Treasury bond market but moved little. The yield on the benchmark 7.3 per cent government bond due in December 1993 dropped from 6.585 per cent to 6.570 per cent.

CANADA

AN UNEVEN retreat in Toronto hit base-metal miners and oil and gas shares while gold mines built on the progress of the previous session.

Among the actives, Royal Trust rose C$⅜ to C$20⅜, FCA International traded C$⅜ higher to C$19¼ and Gulf Canada moved C$⅛ up to C$16⅝.

Banks and industrials in Montreal were easier although utilities gained ground.

SOUTH AFRICA

THE WEAKER bullion price drove Johannesburg gold shares lower although trading volume remained thin.

Vaal Reefs suffered a R4 decline to R181 while Free State Geduld sustained a proportionally more damaging fall of R3.25 to R50.25. Driefontein limited its drop to 25 cents at R50.

Mining financials were mixed with Anglo American Corp 25 cents easier at R26 and Gencor 40 cents at R31.75

EUROPE

Broad-based run to high spots

FOREIGN investors centred intense buying interest on Frankfurt yesterday as the market showed no sign of a retreat from its record level.

The Commerzbank index moved 5.9 higher to 1,310.1 – its eighth consecutive record – as overseas orders entered the market for a broad range of banking, chemical and steel stocks.

Commerzbank's DM 425m issue of participation certificates provided the impetus for support in financials, and it was also taken as an expression of confidence in the stock market's growth potential

The bank's shares closed DM 5 higher at DM 193.50 followed by Deutsche Bank, up DM 13.50 to DM 513, and Dresdner, DM 1.90 higher at DM 226.70.

Automotive stocks failed to enjoy the full force of the buying due to a technical reaction to recent increases. BMW fell DM 7.50 to DM 384.50 while Daimler-Benz shook off early losses to add 50 pfg to DM 792.50.

Moderate buying pressure was sufficient to push Brussels to a record with a 7.59 rise to 2,343.45 in the Stock Exchange index. The fall in local interest rates and the possibility of tax advantages to holders of equities backed the rise.

Kredietbank attracted most attention in a strong financial sector and closed BFr 180 higher at BFr 8,600 following encouraging indications about the group's profit outlook.

Bekaert also gained ground on bullish profit predictions and closed BFr 200 up at BFr 5,900.

Paris recovered after a weak start to finish higher in moderate turnover. The CAC General index moved to another record with a 1.4 rise to 230.20.

Building and construction stocks were mixed, although Bouygues firmed a further FFr 8 to FFr 842 and Lafarge Coppée added another FFr 60 to FFr 2,690.

Moët-Hennessy built on recent improvements with an FFr 16 rise to FFr 2,003 despite news that this year's champagne harvest is expected to be very small. Pernod slipped to FFr 749, down FFr 9.

The consolidation phase that **Zurich** has been going through this week continued, leaving most prices little changed in light turnover.

Banks came under mild selling for most of the day, with Bank Leu leading the way down to close SwFr 225 lower at SwFr 3,775, followed by Crédit Suisse, SwFr 10 off at SwFr 2,585, and Union Bank, down SwFr 20 at SwFr 3,880.

Mövenpick lost ground after profit-takers moved to clip it back SwFr 150 to SwFr 4,500.

Caution entered **Amsterdam**, leaving little room for broad trends to emerge.

Leading companies were mainly weaker. Expectations of lower oil prices forced Royal Dutch Fl 2.40 to Fl 197.60, and Unilever eased Fl 2 to Fl 348.50.

Demand showed for insurer Amev which was Fl 3.20 higher at Fl 239.50 after peaking at Fl 240.50, and copier maker Océ van der Grinten gained Fl 2.50 to Fl 322.50.

Stockholm remained dull. In **Oslo** trading resumed in Borregaard after an announcement that merger plans with Kosmos have collapsed.

Milan regained its upward trend after the reappearance of institutional investors while in **Madrid** prices fell marginally in thin volume.

LONDON

UNINSPIRING trade figures and renewed oil price worries unsettled London equities yesterday as many investors took to the sidelines in the final stages of the current three-week account.

Support for recent speculative issues waned, and the FT Ordinary index, down 10 points by mid-afternoon, finished a net 7.4 lower at 999.1.

Leading electricals and high-technology stocks were vulnerable mirroring the problems in their respective areas but later staged a recovery.

Gilts ignored the Chancellor of the Exchequer's attempts to downgrade the importance of sterling M3. Investors, instead, responded to the rising pound, and shorts picked up ⅛ in most places while longs managed gains of ½. Index-linked issues quietened after Tuesday's flurry of interest, and most held at overnight levels.

Chief price changes, Page 40; Details, Page 41; Share information service, Pages 42–43

SINGAPORE

LATE SELLING partially erased earlier gains in Singapore during another session of light trading.

The Straits Times industrial index closed up 1.72 at 816.92 after being 2.11 higher at midday on a turnover of 4.9m shares compared with 5.7m on Tuesday.

Plantations were well supported, with Kulim's 12 cents increase to S$2.24 leading the sector.

Banks were also marginally stronger. DBS and OCBC each added 5 cents to finish at S$6.20 and S$9.30 while UOB gained 2 cents to S$4.40.

Most property stocks closed unchanged, although Singapore Land eased 8 cents to S$2.94.

Among industrial issues, Gentings recovered 5 cents of its recent loss to S$6.25, and Fraser and Neave advanced the same amount to S$5.30.

HONG KONG

BUYING pressure developed steadily in Hong Kong as institutions re-entered the market after last week's sharp setback.

While the support was broad-based, the market was driven by several leading stocks which made significant contributions to the 26.87 increase in the Hang Seng index to 1,597.71.

Jardine Matheson stood out with a 90-cent jump to HK$12.00 while Cheung Kong and Hongkong Electric shared 10-cent increases to HK$16.40 and HK$8.30 respectively.

Although unchanged at HK$15.70 China Light was the centre of considerable attention. Swire moved against the trend to finish 20 cents down at HK$23.40.

AUSTRALIA

THE UNEXPECTED absence of international buying interest created a vacuum during trading in Sydney, leaving the way open for mild profit-taking by local investors.

Weaker world metal prices also encouraged selling of mineral stocks, with gold shares under most pressure.

The heaviest falls included Central Norseman, down 40 cents to A$8.60, Kidston 25 cents lower at A$4.00 and Whim Creek off 20 cents at A$3.00.

A feature of trading was heavy buying in the diversified industrial group ACI which added 12 cents to A$2.50 after a broker placed an order for 10m shares for overseas interests.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	16	AAR	.48	2.6	14	1322	18¾	18	18¼	−¼
18½	9⅜	AGS			11	20	13⅛	12¾	13	+¼
16¾	9⅝	AMCA				3	11	10¾	10⅞	−⅛
21½	13¾	AMF	.50	2.6	56	2761	19¾	18⅞	19½	+¾
47⅛	24¼	AMR			11	3226	45⅞	45⅜	45⅞	−¼
21½	18⅝	AMR pf	2.18	10.		151	21⅛	21¼	21¼	
25⅞	22⅞	ANR pf	2.67	11.		5	24	24	24	
14¼	7¾	APL				49	8⅞	8⅞	8⅞	−⅛
65¼	44⅜	ASA	2	4.0		456	50⅝	49⅝	50½	+⅜
27	14⅛	AVX	.32	2.1	12	171	15	14⅜	15	−⅛
24⅞	16	AZP	2.72	11.	7	842	24¾	24⅜	24⅝	+⅛
54⅜	36¾	AbtLab	1.40	2.6	15	772	53⅞	52½	53⅛	−¾
25⅞	17	AccoWd	.44	2.1	16	82	21⅜	21	21¼	−¼
20¼	12½	AcmeC	.40	2.8		46	14⅝	14⅜	14½	
19½	7⅝	AcmeE	.32b	3.9	10	30	8⅛	8	8⅛	+⅛
17½	15	AdaEx	1.92e	11.		56	17¼	17⅛	17¼	+¼
20	11⅞	AdmMl	.32	2.1	8	14	15⅜	15⅜	15⅜	−⅛
19½	8⅝	AdvSys	.53t	5.0	17	55	10⅝	10½	10½	−⅛
41⅛	25⅛	AMD			12	3807	28¾	27⅜	27⅞	−⅞
12¾	8⅛	Advest	.12	1.3		360	9	8¾	9	+⅛
14⅝	9¾	Aerflex			12	35	12⅛	12⅝	12¾	
46⅝	27¼	AetnLf	2.64	5.8	33	1237	45⅝	45¼	45⅜	−⅛
57¾	52⅜	AetL pf	5.83e	10.		14	56¼	56	56⅛	−⅛
36	15⅜	Ahmns	1.20	3.6	13	887	33¾	32⅝	33¼	−½
3⅝	2½	Aileen			23	143	3⅛	3	3	
53½	38⅝	AirPrd	1.20	2.3	12	386	51⅞	51¼	51¾	+⅛
24⅝	13	AirbFrt	.60	2.8	12	1464	21¾	21½	21½	
2	1	AlMoa s			23	52	1⅝	1⅝	1½	
27⅝	21	AlaP pf	2.92e	11.		z300	26¾	26⅝	26⅝	−¼
33⅜	26¾	AlaP pfA	3.92	12.		z35	32¾	32	32¼	−¼
8	6	AlaP dpf	.87	11.		z17	7¾	7½	7⅝	+⅛
78¼	61½	AlaP pf	9	12.		y350	76	74½	75½	+¾
103¼	85¼	AlaP pf	11	11.		z70	99¾	99¾	99¾	
81	63½	AlaP pf	9.44	12.		y590	78	78	78	+⅛
71	57	AlaP pf	8.16	11.		z105	u73½	68⅞	73½	+5⅝
70	56	AlaP pf	8.28	12.		y50	68½	68½	68½	+1⅜
18⅛	11	Alagsc s	1.04	7.0	6	13	15	14⅝	14⅞	+⅛
22⅞	9¼	AlskAir	.14	.7	9	213	21⅝	21½	21½	−⅛
18¾	10½	Albrto s	.36	2.1	20	120	18	17¼	17¾	+½
33½	23⅞	Albtsns	.76	2.4	13	531	31¼	30⅞	31⅛	−⅛
31¼	23¼	Alcan	1.20	4.7	12	3468	25⅝	25⅛	25⅝	−⅜
36⅛	27⅛	AlcoStd	1.20	3.5	12	399	34	33¾	34	+¼
32	17	AlexAlx	1	3.7		950	27⅜	27	27⅜	
26½	20⅜	Alexdr			20	42	23½	23¼	23½	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 39

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 40

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 38

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

May 29	Price Sch%	+ or —
Creditanstalt	535	—1
Goesser	539	+1
Interunfall	1,520	+60
Laenderbank	695	—6
Perlmooser	600	+15
Steyr-Daimler	185	—4
Veitscher Mag	616	—6

BELGIUM/LUXEMBOURG

May 28	Price Frs.	+ or —
B.B.L.	1,945	
Banq. Int. A. Lux	6,020	
Bekaert B.	6,600	
Ciment CBR	2,450	
Cockerill	228	
Delhaize	8,700	
EBES	2,875	
Electrobel	6,540	
Fabrique Nel	1,880	
GB Inno BM	5,410	
GBL (Brux)	2,020	
Gevaert	5,885	
Hoboken	5,650	
Intercom	2,285	
Kredietbank	8,500	
Pan Hldgs.	11,000	
Petrofina	6,210	
Royale Belge	12,200	
Soc. Gen. Banq.	5,550	
Soc. Gen. Belge	1,875	
Sofina	7,100	
Solvay	4,480	
Stanwick Intl.	1,500	
Tractionel	4,240	
UCB	0,500	
Wagon Lits	5,558	

DENMARK

FRANCE

GERMANY

May 29	Price Dm.	+ or —
AEG-Telef	125.6	—0.8
Allianz Vers	1270xr	+11
BASF	218.8	+6.1
Bayer	669.7	+2.9
Bayer-Hypo	346.5	+0.6
Bayer-Verein	348 xd	+6
BHF-Bank	305	+1
BMW	384.5	—7.6
Brown Boveri	215.5	+0.6
Commerzbank	193.5	+5
Cont'l. Gummi	139	—0.3
Daimler-Benz	792.5	+0.5
Degussa	346	—2
D'sche Babcock	161	+3
Deutsche Bank	613 xd	+14
Dresdner Bank	226.7xd	+1.9
GHH	152	+5
Hochtief	547	—3
Hoechst	255	+4
Hoesch Werke	108	+0.5
Holzmann (P)	446	—1
Horten	179	—2
Kuesel	286	—1
Karstadt	230.8	+0.5
Kaufhof	240	+2
KKO	962	—5.5
Kloeckner	70.5	+0.5
Linde	448	+1
Lufthansa	194	—2
MAN	186	+6
Mannesmann	160.5	+6.2
Mercedes Hld.	698.5	+0.5
Metallgesel	266	—1.6
Munech Rueck	1,370	+15
Nixdorf	592.8	—0.2
Porsche	1230	—4
Preussag	676	+1.8
Rhein West Elect	187.0	
Rosenthal	288	—1
Schering	467	+2
Siemens	555	+4.1
Thyssen	102.8	+0.1

NORWAY

May. 99	Price Kroner	+ or —
Bergens Bank	140	—2.6
Borregaard	395	
Christiania Bank	135.5	—2.5
DenNorske Cred.	145	—2
Elkem	148	+0.5
Kvaerner	165	—1
Norsk Data	409	
Norsk Hydro	108.5	—0.6
Storebrand	276	+5

SPAIN

May 29	Price Pta%	+ or —
Bco Bilbao	345	
Bco Central	391	—1
Bco Exterior	219	—3
Bco Hispano	185	
Bco Popular	566	
Bco Santander	565	+1
Dragados	144.8	—6.8
Hidrola	86.8	—0.5
Iberduero	95.0	—0.7
Petroleos	150	
Telefonica	182	+1.5

SWEDEN

May 29	Price Kronor	+ or —
AGA	665	
Alfa-Laval	182	+2
ASEA (Free)	330	
Astra (Free)	456	
Atlas Copco	115	
Cardo (Free)	255	—5
Cellulosa	117	+4
Electrolux B	276	+1
Ericsson	601	+2

ITALY

NETHERLANDS

SWITZERLAND

AUSTRALIA

AUSTRALIA (continued)

HONG KONG

JAPAN

JAPAN (continued)

SINGAPORE

SOUTH AFRICA

OVER-THE-COUNTER *Nasdaq national market, 2.30pm prices*

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES

Tr. 11½% 2001/04	£107	+ ½
Appl Hologr	288	+20
Batleys of York	108	+10
Beecham	365	+10
Comb Eng. Stores	152	+ 9
Heath (C.E.)	620	+18
Matthews (B)	355	+22
Our Price	480	+15
Pentland Inds.	935	+35
Utd. Scient	206	+ 8

FALLS

Babcock Intl.	151	— 7
Brit. Home St	308	— 7
Britoil	217	— 6
Capital & Count	203	— 6
Falcon Res	335	—10
Great Port Ests	152	— 6
Hogg Rob	260	—20
Lasmo	280	—13
MEPC	298	— 5
Vickers	297	—10
Wellman	9	— 4

Continued on Page 44

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 39

CANADA

TORONTO
Prices at 2.30pm May 29

MONTREAL
Closing prices May 28

MARKET REPORT

Uninspiring trade figures and oil price worries unsettle equity market

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
May 13	May 30	May 31	June 10
June 3	June 13	June 14	June 24
June 17	June 27	June 28	July 8

* "New-time" dealings may take place from 9.30 am two business days earlier.

Potential investors moved to the sidelines yesterday as the London equity market entered the final stages of the current three-week trading Account. Recent buyers of speculative issues also adopted a stand-off approach and the scene was set for a resumption of the pre-holiday easier trend. The ensuing uncertainty fed on itself and around mid-afternoon the FT Ordinary share index was some ten points down and in danger of recording a heavy closing fall.

There was some selling associated with end-Account influences but dealers said that it was not sufficient to warrant the price losses. Traders searched for another cause for the depression and decided to blame it on a combination of the April UK trade returns and renewed worries over world oil prices. The fact that sterling rose over a cent against the dollar to $1.2630, reflecting currency market scepticism over oil price rumours made scant impression.

Leading Electricals and high-technology stocks were vulnerable, mirroring the problems currently assailing their respective areas, but later staged a recovery which spread to other market sectors. In the after-hours' business, the rally was extended and constituents of the FT Ordinary share index finally showed net changes in either direction. Marked weakness in Vickers, however, took a toll on the measure which closed 7.4 lower on balance at 999.1.

The Chancellor's campaign to downgrade the importance of sterling M3 as a monetary measure bemused the Gilt-edged market. Early trade was negligible but investors gradually responded to the rising pound and longer-dated stocks moved higher to the extent of ½ in one or two instances. The shorts also improved, usually by ⅛, but index-linked issues quietened after Tuesday's revived interest and most remained at their overnight levels.

Insurances mixed

The Insurance sector was enlivened late by news of the abortive merger discussions between Lloyds brokers C. E. Heath and Hogg Robinson; the announcement that the two groups had failed to reach agreement on terms that could be recommended to both sets of shareholders prompted a sharp reaction in Hogg Robinson, which fell away to close 20 down at the day's lowest of 260p. C. E. Heath moved up 10 to 620p. Elsewhere, Willis Faber slipped 7 to 675p following the annual meeting. Composite and Life issues failed to capitalise on a firm opening and drifted back to close easier on balance. Royals were an exception and touched 645p prior to closing 5 dearer at 640p following a broker's recommendation.

The major clearing banks met with further light offerings initially, but the tone improved late in the day and final quotations were no worse than narrowly mixed. Elsewhere, Hill Samuel firmed 5 to 300p awaiting tomorrow's preliminary results, while First National Finance put on 3½ to 97½p, after 99½p, as speculative interest revived.

Among otherwise subdued Breweries, Young non-voting shares were marked 10 higher to 150p following a newsletter investment recommendation.

Losses in the Building sector were relatively modest. Redland slipped 4 to 301p and RMC lost a like amount to 388p, but Costain remained a firm market and hardened a couple of pence more to a 1985 peak of 402p. Among Timbers, Meyer International attracted renewed speculative buying and touched 141p prior to closing 3 dearer at 140p.

Talk that a broker had upgraded third-quarter profit estimates due to increased demand for ethylene prompted early firmness in ICI, which moved up to 775p before drifting off to close just 2 dearer on balance at 767p. Among other Chemicals, Croda International firmed 3 to 136p helped by option business, but Coalite softened a couple of pence to 240p following the disappointing annual results.

Stores dip and rally

Activity in Stores continued to contract from the often buoyant levels experienced throughout the previous week. Leading counters initially reacted to widespread profit-taking but later responded to occasional support and finished well above the day's worst. Debenhams, down to 384p earlier, closed a net penny to the good at 388p awaiting news of the mooted management buy-out; bidders Burton settled 6 off at 479p, after 476p. British Home, 308p, and Sears, 98p, gave up 7 and 3 respectively. Woolworth eased 7 to 803p, while the new Convertible loan stock dipped 1½ to £7 premium following reports that around 17 per cent of the issue had been put through the market by brokers Rowe and Pitman.

Isolated firm features emerged from second-line Stores, despite the withdrawal of recent speculative demand. Combined English advanced 9 to 152p, while Moss Bros, good late on Tuesday, improved 2 more to 485p. Buyers also displayed renewed enthusiasm for Our Price, another 15 to the good at 480p.

Leading Electricals remained a sensitive area, but after early selling had run its course quotations rallied. Plessey were vulnerable again and touched 144p before settling 4 down on balance at 148p. Bid speculation helped Thorn EMI, which closed only 3 down at 465p after reacting to 455p initially. High-technology stocks failed to shake off the recent depression. Tunstall Telecom gave up 10 at 290p, while falls of 5 were marked against Crystalate, 148p, Eurotherm, 315p, and Farnell, 177p. Acorn Computer lost 3 to 14p. Elsewhere, Applied Holographics, assisted by a recent article in the Financial Times, improved 20 more to 260p.

Leading Engineerings drifted a few pence lower again, mainly on the lack of support. Vickers, however, sustained a sharp setback late, falling 19 to 297p on the announcement that Reliance Group Holdings had disposed of its recently-acquired stake in the company. Among occasional movements elsewhere in the sector, Babcock met with selling and gave up 7 at 151p, while nervous offerings left Wellman 4 lower at 9p. Awaiting further developments in the bid situation, R. Cartwright drifted off 5 more to 160p.

Tate and Lyle revealed interim profits at the lower end of market expectations, but the price, having fallen to 438p prior to the announcement on talk that one broker had downgraded profit estimates to around £24m, rallied smartly to close unchanged on balance at 447p. Among other leading Foods, bid favourite Rowntree Mackintosh, a firm market on Tuesday on rumours of a possible offer from America's Nabisco Brands, slipped to 440p prior to closing just 3 cheaper on the day at 442p. Associated Fisheries gained 4 to 108p in reply to good interim results, while buying in restricted markets lifted Bernard Matthews 22 to 355p and Baileys of Yorkshire 10 to 100p. Sidney C. Banks continued to reflect a broker's recommendation and rose 10 more to 240p.

Euro. Ferries Rights

Many leading miscellaneous Industrials picked up to close with little alteration on balance. Boots, a good market recently, settled only 3 lower at 193p, after 191p, awaiting today's preliminary figures. Against the trend, Beecham made headway on U.S. buying to close 10 higher at 365p. Elsewhere, European Ferries drifted off to close 3 cheaper at 139p following news of the proposed £71.6m net rights issue. Further persistent small selling took British Aerospace new shares down to 213p before a close of 219p, only 3 lower on the day. Marley, reflecting a broker's downgraded profits forecast, gave up 4 at 85p, while Redfearn National Glass lost 5 to 75p following a newsletter "sell" recommendation. Extel, awaiting today's annual figures, eased 8 more to 330p, but Lep Group, also scheduled to report full-year results today, hardened 5 to 265p. Pentland, advanced 35 to 935p on a revived buying interest. Among USM stocks, CVD fell 17 to 178p on fears of a cutback in U.S. defence spending, while Computer stocks to give ground included NMW, 10 lower at 340p, and Rolfe and Nolan, 7 cheaper at 135p.

Among Leisure issues, GRA Group attracted support ahead of tomorrow's annual meeting and touched 70p prior to closing 2 firmer on balance at 68p.

Properties made a dull showing. Half-year profits at the top end of market estimates failed to sustain MEPC which shed 5 to 298p, while the disappointing asset valuation which accompanied the preliminary figures left Capital and Counties 6 lower at 203p. Great Portland Estates shed 6 to 152p following the agreed acquisition of Limco Group, a property investment and development company, for

Shippings gave ground. P & O Deferred, a rising market last week following a chart "buy" recommendation, were sold and closed 7 lower at 360p, while Ocean Transport ended 4 off at 179p.

Stockjobbers Smith Bros, which announced reduced preliminary profits, dipped to 117p before settling 3 lower on balance at 120p.

Oils lower

Continuing worries over the possibility of renewed weakness in oil prices and fears of major rifts among OPEC members in the run up to the next full OPEC meeting—scheduled for July 22—led to renewed weakness throughout the oil sector. The leading issues were marked down initially and remained under pressure until the after-hours trade when prices picked up on "cheap" buying. LASMO were particularly vulnerable and fell away to a year's low of 278p before steadying to close a net 13 off at 280p. Shell closed 8 down on balance at 695p, after 693p and Britoil 6 cheaper at 217p, after 215p. BP were finally unchanged on the day at 525p, after 523p. Fading bid hopes lowered Burmah 4 to 284p.

Secondary issues showed Carless Capel 2 easier at 173p despite the sharply higher preliminary profits. Elsewhere, Falcon Resources came under renewed pressure and gave up 10 more to 335p while Firstland Oil and Gas dropped 20 to 220p.

Business in Overseas Traders was enlivened by a couple of company trading statements. Harrisons and Crosfield gave up a couple of pence to 447p after revealing preliminary results in line with most market expectations. Thomas Borthwick touched a high of 41p before settling 2 dearer on balance at 39p following the interim profits recovery.

Golds better

Currency trends once again proved the determining factor in mining markets. South African Golds moved narrowly during the morning. However, share prices began to pick up prior to midday following persistent bear-closing said to have emanated from Paris and Brussels. In the afternoon the firmer trend gathered momentum as the downturn in the dollar prompted a sharp upturn in bullion which touched $317 an ounce before ending the day a net $6.75 higher on balance at $316.50. London dealers marked gold shares sharply higher and these levels were quickly taken up by U.S. traders. Consequently, closing prices were the day's best and the Gold Mines index rallied 7.6 to 463.0.

In the leading heavyweights, President Brand and President Steyn were especially favoured by Continental buyers and rose around a point apiece at £19⅞ and £21¼ respectively, while similar overall gains were recorded by Western Deep, £36⅜ and Driefontein, £20. Lower-priced issues showed Leslie 11 better at 210p and Hartebeest 26 to the good at 446p.

South African Financials and Platinums rallied. Lydenburg were outstanding among the latter and rose 25 to 610p while Gencor and Genbel performed well in Financials, closing around ½ higher apiece at £12⅜ and £10⅜ respectively. American buying was again evident in Minorco which put on 15 more to 710p still reflecting the recent buy recommendation in a leading U.S. publication.

Australians remained on the retreat but closed above the day's lowest levels, helped by the good rally in precious metals. Nevertheless, leading stocks fell by up to 10 as in MIM Holdings, 156p, and CRA, 338p.

FINANCIAL TIMES STOCK INDICES

	May 29	May 28	May 24	May 23	May 22	May 21	year ago
Government Secs.	81.02	80.87	80.80	80.85	80.92	80.91	77.66
Fixed Interest	85.61	83.84	83.78	85.70	85.73	85.79	82.32
Ordinary	999.1	1006.5	1001.6	1016.2	1029.9	1039.3	803.4
Gold Mines	463.0	455.4	477.6	479.8	484.6	481.5	572.9
Ord. Div. Yield	4.65	4.69	4.61	4.58	4.54	4.54	4.86
Earnings, Yld.% (full)	11.66	11.54	11.60	11.63	11.45	11.46	11.37
P/E Ratio (net) (*)	10.40	10.37	10.62	10.57	10.83	10.63	10.37
Total bargains (Est.)	22,276	25,833	23,500	23,597	27,086	24,281	29,420
Equity turnover £m.	—	346.70	427.33	406.63	496.85	337.09	238.47
Equity bargains	—	18,539	21,986	23,382	25,837	27,283	15,684
Shares traded (ml)	—	154.0	228.2	232.3	228.3	277.7	127.2

10 am 1003.5. 11 am 1003.5. Noon 999.1. 1 pm 996.5.
2 pm 996.3. 3 pm 999.6.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil = 10.13.

HIGHS AND LOWS

	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.60 (18/3)	78.62 (28/1)	127.4 (9/1/35)	49.18 (6/1/75)
Fixed Int.	86.16 (22/4)	83.17 (28/1)	150.4 (28/11/47)	50.36 (6/1/75)
Ordinary	1024.5 (22/1)	926.7 (4/1)	1024.3 (22/1/85)	49.4 (26/6/40)
Gold Mines	632.8 (15/4)	432.5 (26/1)	734.7 (15/2/83)	43.3 (26/10/71)

S.E. ACTIVITY INDICES

	May 28	May 24
Daily Gilt Edged Bargains	166.3	164.2
Equities Bargains	190.1	142.5
Equities Value	704.8	664.1
5 day Average Gilt Edged Bargains	184.3	183.5
Equities Bargains	131.7	154.2
Equities Value	916.5	919.7

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (62)

BRITISH FUNDS (9)
Treas. 8½pcCnv. '85; Fdg. 5¼pc 1987-91; Exchqr. 2½pc 1987; Treas. 12½pc 1993; Transpt. 3pc '78-88; Fdg. 8pc 1983; Treas. 3pc 1989; Treas. 2pc I.L. 1983; Treas. 11¾pc 1991

LOANS (1)
Inv. in Ind. 11¾pc Uns. Ln. 1990

BANKS (4)
Bank of Ireland; Deutsche Bank; Commerzbank; Woodchester

BREWERS (2)
Clark (Matthew); Marston Thompson

BUILDINGS (5)
Bellway; Newarthill; Costain; Raine Inds.; Helical Bar

CHEMICALS (3)
Hoechst; Ransom (Wm.); Morceau

STORES (5)
Body Shop Intl.; Our Price; Combined English; Share Drug; Freemans; Sterling

ELECTRICALS (1)
Applied Holog's Wts.

ENGINEERING (1)
Laird

FOODS (3)
Baileys of Yorkshire; Matthews (B.); Hazlewood; Nabisco Brands; Iceland Frozen

INDUSTRIALS (10)
Evered; Magnolia; Fisons; Powell Duffryn; Friedland Doggart; Relvon; MY Dart; Whitecroft; Polly Peck 9pc Cnv. Ln. 2003-08; Widney

LEISURE (2)
Fairline Boats; GRA

MOTORS (1)
Arlington Motor

PAPER (3)
Carlton Comms.; Fitch & Co.; Ferry Pickering

TRUSTS (3)
Brit. Amer. & Gen.; Park Place; German Smaller Cos.; Plan Invest; Greenfriar Inv.

OVERSEAS TRADERS (1)
Borthwick (Thos.)

PLANTATIONS (2)
McLeod Russel; Do. 8.4pc Cnv. Pf.

MINES (1)
New Wits.

NEW LOWS (61)

LOANS (3)
Nationwide 12¼pc 31/3/86; Nationwide 12¼pc 21/4/86

BANKS (3)
Ansbacher (H.); Mercury Secs.

BREWERS (1)
Merrydown Wine

CHEMICALS (2)
Ellis & Everard; Perstorp AB

STORES (3)
Gent (S. R.); Wigfall (H.); Greenfield Blacks

ELECTRICALS (13)
Air Call; Memcom Intl.; Am. Electro. Comp.; Northamber; Continental M'wave; Oceonics; Crystalate; Pericom; Ferranti; Quest Automation; Logica; Sarasota Technology; Lorlin Elect.; STC; Mallerware Intl.; TDK Corp.

ENGINEERING (1)
Wellman

FOODS (1)
Sims Catering

INDUSTRIALS (7)
AGA; Ferell-A-Chron; Alfa-Laval; Laidlaw Thomson; Assoc. Energy; Scott Greenham; CSR

LEISURE (1)
Williams (Rex)

PROPERTY (3)
Hallwood; Prop. & Reversionary; New England

SHIPPING (1)
Gotaas-Larsen

TEXTILES (3)
Burmatex; Richards; Lister

TRUSTS (6)
Cambrian Genl. Cap.; Barrie Inv. & Fin.; Fledgeling Japan; Bouity Fin. 8pc Cnv. Uns. Ln. 1995-2000; Gresham House; Abingworth

OILS (7)
Churchill Energy; New London Oil; Crusader Oil; Oliver Prospecting; LASMO; Santos; Do. OPS

MINES (5)
Stilfontein; Eastern Petroleum; Cns. Gld. Mng. Areas; North Broken Hill; Cultus Pacific

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Thorn EMI	22	468	+15
Higsons Brwry.	18	225	—
Rowntree Mack.	15	445	+17
Debenhams	14	387	+5
Woolworth†	14	£8½pm	—
Boots	13	196	+8
ICI	13	765	+12
Allied-Lyons	12	200	+6
Falcon Res.	12	345	+15
Utd. Scientific	12	198	+21
BAT Inds.	11	313	−2
Brit. Telecom	11	197	+3
Harris Queen'y	11	254	+10
Midland Bank	11	365	−2

† 8½pc Conv. Ln. 2000 (nil-paid)

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

RIGHTS OFFERS

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment letters or fully-paid. ‖‖ Introduction. ☆ Unlisted Securities Market. § Placing price. T Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3).

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	79	3	25
Corpns. Dom. and Foreign Bonds	3	4	69
Industrials	182	405	867
Financial and Props.	61	148	339
Oils	8	57	61
Plantations	5	4	8
Mines	43	56	79
Others	36	65	127
Totals	417	742	1,576

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
May 20	June 7	Aug 29	Sept 9
June 10	June 21	Sept 12	Sept 23
June 24	July 5	Sept 26	Oct 7

For rate indications see end of Share Information Service

Money was given for the call of Bristol Channel Ship Repairers, Bristol Oil and Minerals, Debenhams, Falcon Resources, Burmah, Plessey, Energy Capital, Arlen Electrical, CPU Computers, Glaxo, Vickers, Racal, FKI Electricals, Commercial Union, Hogg Robinson, Combined Technologies and Hongkong Land. A put was struck in CML Microsystems, while a double was transacted in Debenhams.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Body Shop	710	+15
Boddingtons Brew.	73	—
Brit. Aerospace‡	219	−3
Brit. Home Stores	308	−7
Burton	479	−6
Capital & Counties	203	−6
Combined Eng. Stores	152	+9
Falcon Resources	335	−10
Higsons Brewery	225	—
Prudential	652	+2
Smith Bros.	120	−3
Utd. Scientific	206	+2

‡ Partly-paid.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

FIXED INTEREST

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS: 19,865

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

May. 29 Total contracts 8,477 Calls 5,392 Puts 3,085

* Underlying security price.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1985 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
100⅞	99	Treas 11½pc 1985	99	.....	11.52	12.70
99	97¾	Treas 8¾pc Cnv '85	99	+⅛	8.84	12.28
101	99¾	Exch. 12¼pc 1985	100	+⅛	12.25	12.11
101	99	Exch. 11¼pc '86	99⅞	.....	11.76	11.81
99½	97	Treas. 10pc Cnv 1986	98	+⅛	10.15	11.72
94⅞	92¼	Treas 3pc 1986	94¼	.....	3.18	9.18
100	97½	Exch. 10½pc Cv '86	98⅞	.....	10.62	11.74
101⅞	99¼	Treas 12pc 1986	100	–⅛	11.96	11.70
97	94¼	Treas 8¼pc 1984-86‡‡	96⅞	–⅛	8.77	11.56
105	102	Exch. 14pc 1986	102	.....	13.60	11.64
92¼	87¾	Exch. 2½pc 1986	92¼	+⅛	2.71	8.16
104	101¾	Exch. 13¼pc 1987	102¼	–⅛	12.96	11.66
99½	96½	Treas 10¼pc Cv '87	98	+⅛	10.46	11.53
90¼	85½	Exch 2½pc 1987	90¼	+⅛	2.77	8.64

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

1985 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
22⅞	16¼	Amer Medical Int $1	18¼	–⅛	60c	—	2.5
59¾	32	Amer Nat. Res $1	51¼		h$1.41	—	2.1
20⅝	16¼	American T & T $1	19⅛	+⅞	$1.20	—	4.9
79½	64¾	Ameritech $1	78½		$6.00	—	6.7
25	16	Amdahl	28¼		$1.44	—	5.4
47p	29p	AmdTech	40½p		—	—	—
18½	15	Bankamerica $1	17½	+⅛	$1.52	—	7.0
60½	47	Bankers N Y $10	55½	+½	32.70	—	3.8
12½	829p	BASIX Corp	925p	–11	12c	—	—
80¼	65½	Bell Atlantic $1	70½		$6.80	—	7.6
34¾	28½	Bellsouth $1	51⅛		$2.60	—	6.6
19¾	12⅞	Beth Steel $8	13½		40c	—	2.3
24	16½	Bowater Inc.	17⅞		72c	—	1.2
40½	31¼	Brown'g-Fer. 16⅔c	36		$1.08	—	2.4
37¼	26¼	Brunswick Corpn.	29¼		$1.00	—	2.7
525p	310p	Business Computer	337p		—	—	—
39⅞	31½	CPC Innl. 25c	33⅞xd	–⅛	$2.20	—	5.1
25	18⅞	CSX Corp U.S.$1.00	20⅞xd		$1.04	—	3.9
17⅞	13	CalFed Inc $1.00	16½xd		32c	—	1.3
65¾	51⅛	Campbell Soup 60c	54½	–1	$2.50	—	3.6
31⅞	24⅝	Caterpillar Tractor	27⅞xd		50c	—	1.4
902p	680p	Cenergy Corp 25c	756p	–11	1c	—	0.1
52⅞	40⅞	Chase M'htn $12.5	46⅞xd	–½	$3.80	—	6.4
38⅞	29¼	Chemical New York	33½		$2.36	—	5.6
34½	25⅞	Chesebrough-Pond's $1	27⅞		$1.92	—	5.5
32⅞	25⅞	Chrysler $6¼	28¾	+½	$1.00	—	2.7
42⅞	32¼	Citicorp $4	38½		$2.26	—	4.6
900p	820p	City Fed Fin. Corp.	835p	+8	040c	—	3.0
23½	19⅛	Colgate-P. $1	19⅞		$1.28	—	5.2
57⅞	44	Colt Inds $1	47½	+⅛	$2.50	—	4.1
155p	40p	Cont Illinois Hldgs $1	60p		—	—	—
238p	100p	Corporate Data Scnce.	218p		—	—	—
36⅛	28⅞	Crown Zell. $5	32½		$1.00	—	2.4
44⅞	20⅞	Cullinet Sftwr $0.1	23	–½	—	—	—
506p	304p	Damson Oil 40c	348p	–1	—	—	—

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING, TIMBER, ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
77	61	Marshall's Universal	65	+1	2.0	♦	4.5	♦
86	78	Do. 7½pcCnRedPf £1	82	−1	7½%		13.1	
22	22	Martin-Black	22n		—			
£97	£81	Metal Box £1	408	+1				

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Finance

[illegible]

Australians

[illegible]

Tins

[illegible]

Miscellaneous

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
48	35	Anglo Utd. Dev.	38	−2	—	—	—
350	140	Centennial Mn'ls.	150	+3	—	—	—
120	70	Conwy Res Corp.	80	....	—	—	—
550	450	Cons. Murch 10c	450	....	†0100c	1.4	10.8
40	28	Eores Inv. Ir10p.	34		—	—	—
215	157	Hampton Areas 10p	188	−2	3.75	2.1	2.7
260	160	Highwood Res.	370	−5	—	—	—
£22½	£18	Homestake Mining $1	£18⅞	−1	020c	—	—
310	190	McFinley Red Lake	240		—	—	—
300	195	Musto Explorations	260	−10	—	—	—
55	23	New Sabina Res C$1	45		—	—	—
375	260	Northgate C$1	290	−15	—	—	—
685	581	RTZ	592	−8	20.0	2.7	4.8
£145½	£129	Do. 9¾pcLn '95-2000	£130	−1	Q9¾%	14.0	7.5
£14¼	£10	Tara Expin $1	£13¼	−⅛	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock"
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ¶ Not officially UK listed; dealings permitted under Rule 535(4)(a)
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3)
- ‡ Price at time of suspension
- * Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast
- ♠ Merger bid or reorganisation in progress.
- ▲ Not comparable
- ▲ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¤ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	106		Arnott	175xd	+7
Craig & Rose £1	£9		CPI Hldgs.	50	
Finlay Pkg. 5p	61xd		Carroll Inds.	124	
Higsons Brew	225		Dublin Gas	53	
Holt (Jos) 25p	740xd		Hall (R. & H.)	55	
IoM Stm £1	90		Heiton Hldgs.	20	
IRISH			Irish Ropes	43	
Fund 11¼% 1988	£96⅝		Jacob (W. & R.)	80	
Nat. 9¾% 84/89	£90½		Unidare	80	−3
Fin 13% 97/02	£99¼				

OPTIONS — 3-month call rates

Industrials	p				
Allied-Lyons	16	GKN	17	Turner Newall	50
BAT	32	Hanson Tst.	17½	Unilever	85
BOC Grp	25	Hawker Sidd.	38	Vickers	19
BSR	16	Hse of Fraser	10	**Property**	
BTR	52	ICI	60	Brit Land	12
Babcock	14	"Imps"	10	Cap Counties	18
Barclays	48	Jaguar	20	Land Secs	25
Beecham	32	Ladbroke	24	MEPC	20
Blue Circle	45	Legal & Gen	50	Peachey	22
Boots	11	Lex Service	28	Samuel Props.	14
Bowaters	20	Lloyds Bank	45	**Oils**	
Br'A Aerospace	33	Lucas Inds.	25	Brit Oil & Min	4
Brit. Telecom	11	Marks & Spcr	11	Brit Petroleum	42
Brown (J.)	3	Midland Bk	30	Burmah Oil	18
Burton Ord	39	NEI	8	Charterhall	6
Cadburys	14	Nat West Bk.	60	Premier	5
Comm Union	19	P & O Dfd.	36	Shell	60
Courtaulds	12½	Plessey	17	Tricentrol	18
Debenhams	17½	Polly Peck	26	Ultramar	19
Distillers	28	Racal Elect.	18	**Mines**	
Dunlop	6	RHM	11	Charter Cons	10
FNFC	8½	Rank Org Ord.	32	Cons Gold	44
Gen Accident	45	Reed Intnl	50	Lonrho	14
Gen Electric	17	Sears	8	Rio T Zinc	54
Glaxo	85	TI	20		
Grand Met	25	Tesco	28		
GUS 'A'	60	Thorn EMI	35		
Guardian	60	Trust Houses	11		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 40

WORLD STOCK MARKETS

OVER-THE-COUNTER

Continued from Page 40

Stock	Sales (Hnds)	High	Low	Last	Chng

Indices

NEW YORK DOW JONES

	May 29	May 28	May 24	May 23	May 22	May 21	1985 High	1985 Low	Since Compilation High	Since Compilation Low
Industrials	1,302.98	1,301.52	1,301.87	1,298.71	1,303.78	1,308.7	1307.78 (21/5)	184.98 (4/1)	1389.78 (21/5/85)	41.22 (2/7/32)
Transport	629.98	628.10	627.55	628.57	622.90	626.22	635.38 (1/3)	563.83 (4/1)	635.30 (1/3/85)	12.32 (8/7/32)
Utilities	162.16	162.29	161.98	161.82	161.88	163.57	164.75 (17/5)	148.84 (4/1)	164.75 (17/5/85)	16.5 (28/4/42)
Trading vol		98.6m	85.5m	181m	161.3m	130.5m	—	—	—	—

	May 24	May 17	May 10	Year Ago (Approx)
Ind Div Yield %	4.78	4.77	4.81	8.07

STANDARD AND POORS

	May 29	May 28	May 24	May 23	May 22	May 21	1985 High	1985 Low	Since Compilation High	Since Compilation Low
Industrials	207.95	208.14	208.74	208.84	208.97	210.82	210.02 (21/5)	182.24 (4/1)	210.82 (21/5/85)	3.62 (30/6/32)
Composite	187.68	187.85	188.25	187.68	188.56	189.54	189.72 (20/5)	163.68 (4/1)	189.72 (20/5/85)	4.40 (1/6/32)

	May 15	May 8	May 1	Year Ago (Approx)
Ind div yield %	3.84	3.92	5.83	4.18
Ind. P/E Ratio	11.37	11.14	11.28	12.15
Long Gov Bond Yield	10.98	11.33	11.33	13.33

N.Y.S.E. ALL COMMON

May 29	May 28	May 24	May 23	1985 High	1985 Low
108.65	108.73	108.87	108.47	108.72 (20/5)	94.60 (4/1)

RISES AND FALLS

	May 28	May 24	May 23
Issues traded	2,005	1,686	2,028
Rises	678	644	632
Falls	827	682	924
Unchanged	500	458	473

New York Active Stocks

	Stocks Traded	3.00p.m. Price	Change on Day		Stocks Traded	3.00p.m. Price	Change on Day
TWA	1,287,400	18½	+ ¾	Atl Rich	730,300	60½	— ⅞
Att	1,284,400	23⅞	— ¾	Pan Am Corp	701,500	6½	— ⅛
Litton	962,100	83⅝	+ ⅞	Fla Prog	694,000	28	unch
Sealand	890,100	28½	+ 1⅝	IBM	628,000	129½	— ⅞
Transwol	751,800	37⅞	+ 1½	Amerad Hes	599,800	29½	— ¼

Advances 602 Declines 880

TORONTO

	May 29	May 28	May 27	May 24	1985 High	1985 Low
Metals & Minls	2,003.21	2,014.86	2,028.7	2,025.8	2190.7 (13/2)	1996.8 (4/1)
Composite	2,736.14	2,739.06	2,733.1	2,716.4	2739.7 (21/5)	2248.5 (8/1)
MONTREAL Portfolio	133.78	134.13	134.18	132.83	134.11 (17/5)	117.88 (4/1)

* Indicates pre-close figure

	May 29	May 28	May 27	May 24	1985 High	1985 Low
AUSTRALIA All ord. (1/1/80)	678.7	885.1	878.7	883.2	904.6 (20/5)	715.5 (7/1)
Metals & Minls. (1/1/80)	548.8	558.5	561.5	558.1	585.3 (28/5)	382.5 (7/1)
AUSTRIA Credit Aktien (2/1/62)	87.89	87.27	(c)	88.79	97.89 (29/5)	58.21 (24/1)
BELGIUM Brussels SE (1/1/60)	2343.45	2335.86	(c)	2305.85	2343.45 (29/5)	2090.7 (18/1)
DENMARK Copenhagen SE (3/1/83)	(u)	192.20	(c)	185.84	195.84 (24/5)	158.44 (8/1)
FRANCE CAC General (31/12/82)	230.2	228.8	(c)	227.3	230.2 (29/5)	180.9 (3/1)
Ind Tendance (28/12/84)	128.8	127.7	(c)	126.5	128.8 (28/5)	100.1 (3/1)
GERMANY FAZ Aktien (31/12/58)	448.19	446.53	(c)	446.25	448.19 (29/5)	382.38 (5/1)
Commerzbank (1/12/53)	1310.1	1304.2	(c)	1303.8	1616.1 (29/5)	1111.8 (5/1)
HONG KONG Hang Seng Bank (31/7/64)	1587.71	1570.84	1587.78	1596.84	1647.68 (17/5)	1220.74 (2/1)
ITALY Banca Comm Ital. (1972)	311.54	308.92	310.30	310.58	320.81 (25/5)	228.58 (2/1)
JAPAN** Nikkei-Dow (16/5/49)	12767.2	12694.9	12642.7	12583.8	12767.2 (29/5)	11545.2 (5/1)
Tokyo SE New (4/1/68)	997.91	992.56	989.63	886.13	1006.95 (22/3)	918.85 (4/1)
NETHERLANDS ANP-CBS General (1970)	218.8	218.7	(c)	209.1	218.0 (6/5)	185.8 (3/1)
ANP-CBS Indust (1970)	171.5	171.0	(c)	169.8	175.2 (7/5)	147.0 (8/1)
NORWAY Oslo SE (4/1/83)	(u)	556.20	(c)	556.58	845.8 (8/2)	258.18 (2/1)
SINGAPORE Straits Times (1966)	816.92	818.20	814.61	818.24	852.85 (7/3)	764.58 (10/1)
SOUTH AFRICA JSE Gold (28/9/78)	—	1052.9	1042.5	1049.8	1140.8 (15/4)	886.1 (11/2)
JSE Indust (28/9/78)	—	876.2	969.6	969.7	973.6 (24/5)	767.1 (7/3)
SPAIN Madrid SE (28/12/84)	109.25	108.81	119.24	118.71	117.41 (4/2)	101.46 (2/1)
SWEDEN Jacobson & P (1/1/58)	1570.06	1564.61	(c)	1571.98	1486.98 (11/2)	1561.06 (2/1)
SWITZERLAND SwissBank Cpn. (31/12/58)	451.1	442.5	(c)	435.80	435.8 (24/5)	566.7 (3/1)
WORLD Capital Intl. (1/1/70)	—	218.2	218.7	216.5	212.9 (29/5)	154.6 (4/1)

** Saturday May 25: Japan Nikkei-Dow 12,593.76. TSE 996.32.

Base value of all indices are 100 except JSE Gold—255.7, JSE Industrial—264.3, and Australia, All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

Stock		Sales (Hnds)	High	Low	Last	Chng
SmithL		275	3½	3⅜	3⅜	— ⅛
SmithF		123	9¼	9⅛	9⅛	
Society	1.84	x168	44	43¾	44	+ ¾
SoctySv		68	14⅞	14⅝	14⅝	+ ⅛
Soltech		21	7	6¾	6⅞	— ⅛
SoftwA		168	15	14¾	15	
SftwPb		246	13⅞	13½	13⅞	
Sonesta	.40	4	25	25	25	+ 1½
SonocP	1.36	37	47	46½	47	
SonrFd	.30e	37	20½	10½	10½	— ⅝
SoMicG	1.52b	6	18¾	16¼	18¼	

Stock		Sales (Hnds)	High	Low	Last	Chng
Unitrc s		41	12	11¼	11¼	— ½
Unimed		187	11	10½	11	+ ¼
UnFedl		198	11	10¾	10⅞	— ⅛
UnNaB s	1.02	27	24	23½	24	— ¼
UnPlntr	1.09t	40	23	22½	23¾	
UnTrBc	2.40	16	63½	62¾	63½	
UnWarn		117	9½	9¼	8¾	+ ⅛
UACm s	.06	550	18	17¾	17¾	— ⅛
UBArz s	.60	432	24¼	23¾	24⅛	+ ⅜
UBAlsk	.15r	69	10½	10⅛	10⅛	— ⅛
UBkSF		7	4⅞	4⅜	4⅛	+ ⅜

BUSINESS LAW

A backlash against reform

By A. H. HERMANN, Legal Correspondent

CHECKPOINT, the BBC radio programme, is on the air today for the last time. For 12 years Roger Cook has been mercilessly pillorying the delays, abuses and plain silliness of the law. The programme perished in the shadow of the £1m libel suit against "That's Life," which the BBC had to compromise to avoid a further escalation of legal costs. "That's Life," still laughing and sobbing, is now toothless—if that is the right thing to say about Esther Rantzen.

After high hopes of law reform and moves towards a more efficient machinery of justice, now comes a backlash. The Administration of Justice Bill enables the Law Society to continue protecting negligent solicitors and ignores even the most urgently needed improvements in the arbitration regime. Meanwhile, if someone wants to hear the programme of the judicial anti-reform faction spelled out, he can turn to the Denning (anti-Denning really) Lecture delivered by Lord Justice Parker to the Bar Association for Commerce, Finance and Industry two weeks ago.

Politicians are aware that radio reaches a very large audience of their voters. And they listen. Over the 12 years the 500 or so broadcasts of Checkpoint have done more for the reform of business law than as many committees of learned lawyers could do. More than 10 years ago they exposed the human suffering which can be caused by uncontrolled and secretive recording of personal data.

Checkpoint exposed the racket of credit brokers who charged fees for not providing a mortgage and the financial mugging by money-lenders who charged exorbitant interest—in one case as much as 6,500 per cent. Radio in this way contributed to the passage of the Consumer Credit Act. The programme has shown how clumsy innocence can be bankrupted for no good reason, while professional crooks who move from company to company leaving a trail of helpless creditors, suppliers and consumers who paid an advance but never had their windows double glazed go scot free. It has also exposed the liquidators who stripped the assets of failing companies for their own benefit.

All this was reflected in the Cork Report, which proposed radical remedies. Unfortunately, only the unscrupulous liquidators are properly dealt with in the Insolvency Bill. The rest of Cork's proposals have been miserably watered down.

The fate of the two BBC programmes shows that the high costs of justice are not only a target of reform but can be also used to stop those who strive for a reform. The anti-reform backlash, however, has a wider basis and more powerful friends than those bit by criticism. This is evident not only in the mutilation of the Cork Report but also in the latest Administration of Justice Bill.

For decades the greatest obstacle to obtaining satisfaction from negligent solicitors has been the necessity to pursue the claims in court. The Law Society has consistently refused to deal with complaints where the client had the theoretical possibility of suing the solicitor. That possibility is of no practical use unless the plaintiff has nerves of steel and either receives legal aid or has a great deal of money.

This was noted by the (Benson) Royal Commission on Legal Services which recommended that the Law Society should deal also with complaints where the victim had a claim for negligence. The Administration of Justice Bill, however, while giving the Council of the Law Society the power to require that a solicitor whose work is of poor quality refund all or part of the money paid him by the client, deprives this provision of any real value by leaving it to the Council's discretion not to use such power if "it would be reasonable to expect the client) to commence (civil) proceedings." In other words, we are back at square one!

Arbitration law has been crying out for reform and no-one seems to be sure he understands the 1979 Arbitration Act. The question whether an arbitration can be terminated if both parties have remained inactive for several years has repeatedly received contradictory answers in the Court of Appeal, on the one hand, and in the House of Lords on the other. The Administration of Justice Bill settles a minor problem with the appointment of arbitrators but remains completely silent on this controversial issue.

Legislation which stops short of dealing with issues on which judges cannot agree is rather pitiful. What hope is there for a systematic streamlining and elucidation of the mysteries of commercial law? Even Lord Justice Parker, who certainly is not a radical reformer, ended his Denning Lecture by quoting from Lord Brougham's speech On the Present State of the Law, delivered to the House of Commons in 1828, recalling Napoleon's boast: "I shall go down to posterity with the Code in my hand."

> Reform initiatives are running into the sand, while critics of abuses are silenced by the fear of libel actions. But Lord Justice Parker believes the English system is the world's best

Although Lord Justice Parker said that he had read the passage only to entertain the audience by the interesting contrast between the language used by Brougham and that used in the House of Commons today, he agreed with the Law Commission's view that the codification of the law of contract and tort was undesirable only with qualifications. "In banking law, for example, I believe it to be necessary now," he admitted.

In all other respects the Denning lecturer's answer to reform proposals was a loud and clear "no, no, never"! This applied equally to Denning's suggestion that judges should be able to clarify ambiguous statutes by looking for the intention of Parliament in Hansard, Royal Commission reports and White Papers (as they do in other countries, and to Sir John Donaldson's innovations in the Court of Appeal, such as the two-judge court and the pre-reading of papers by the court to save time during the hearing.

While the present Master of the Rolls would like to reduce the overloading of the civil courts by letting arbitrators function in a similar way to justices of the peace in magistrates' courts, Lord Justice Parker thinks that, if allowed to go too far, a further shift of the load from the courts to arbitration would be a disaster. It will be remembered that, as a senior Commercial Court judge, he strenuously opposed the guidelines aiming at further restriction of arbitration appeals, laid down by the Court of Appeal and the House of Lords.

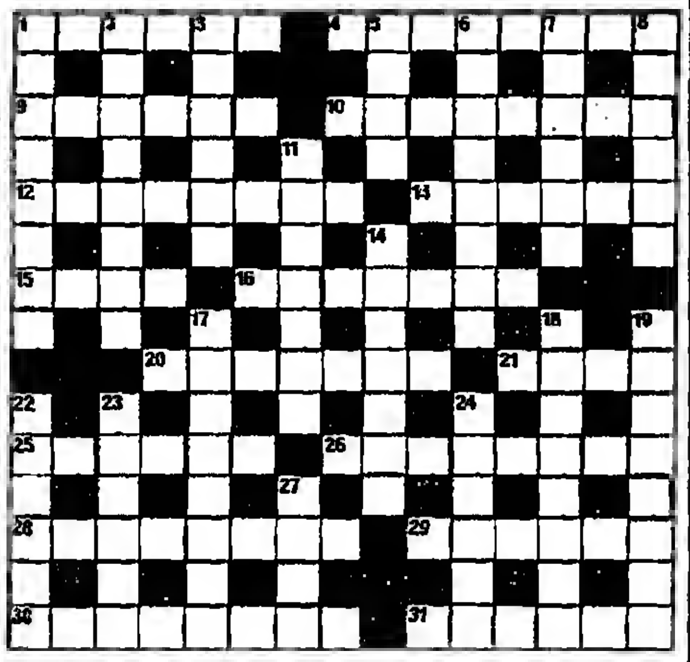
Lord Justice Parker noted that, while 1,038 actions were disposed of by trial in the Queen's Bench Division in London in 1938 by 17 judges, 49 judges could dispose of only 957 cases in 1984. The backlog at the end of the year was 7,200 cases, increasing at the rate of about 8 per cent a year. He explained this by saying that the High Court now had a much greater proportion of longer cases and that trials tended to be much more protracted. He blamed this on the introduction of legal aid, the increasing complexity and volume of legislation, and the impact of the photocopier.

Still, Lord Justice Parker opposed the idea that judges should continuously monitor the progress of cases in order to curtail the length of trials. He [illegible] the suggestion that the judge should identify [illegible] some pre-trial [illegible]. He said: "Although I considered that sufficient and timely changes have not taken place over the past few years, I firmly and unrepentantly believe that our system is still the best in the world."

A shortage of court rooms is seen by Lord Justice Parker as one of the greatest problems at present, and he discussed in great detail how the Royal Courts of Justice could be expanded in spite of the conservation lobby.

The solution, it seems to me, is that judges should work two shifts — either from 9 am until 2 pm, or from 2 pm until 7 pm. The court rooms could then be put to double use and there would be no need to cut the length of the trials and thus reduce the lawyers' fees.

F.T. CROSSWORD PUZZLE No. 5,730



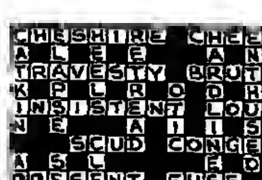
ACROSS

1 County coach (6)
4 Standard upon which Jack depends? (8)
9 Ohio mountain-fruit (6)
10 One over the eight? (8)
12 Lots of gas about region NT developed (8)
13 Well-lined elements much heard in Civil Service (6)
15 Olympic finalists advanced figure of respect (4)
16 Icarus-like bird? (7)
20 In retirement, lived on railway — for the hell of it? (7)
21 Brotherhood to stop heavy smoking (4)
25 English novel rejected as flying-equipment (6)
26 Jarndyce to risk hard lines in it? (8)
28 Noise car makes is plot of film-play (8)
29 Murphy getting big sum at job centre (6)
30 There is still water in fifty-cent kettles! (8)
31 eg. mud's thrown to produce dirty mark (6)

DOWN

1 It walks on its head (4-4)
2 Take into care for reform—that's the answer (8)
3 For example, gong has gone off—have a drink (3-3)
5 Either way, he's a man (4)
6 U.S. fuel-lines go a different way (8)
7 Obtuse for some to stop a questioner (6)
8 Sterne version for Hemingway (6)
11 Nail hardener a tinker employed? (7)
14 Timid about skin-blemish that is darkish (7)
17 Cheerful girl coming out, elated (8)
18 Returning to base, Head Office gives me room for improvement (8)
19 Sword O. McLeary wielded (8)
22 Practised Gaelic in various departments initially (6)
23 Grain from Emmerdale Farm, say (6)
24 Fit to tell? (6)
27 Solid business house (4)

Solution to Puzzle No. 5,729



BASE LENDING RATES

A.B.N. Bank	12½%
Allied Irish Bank	12½%
American Express Bk.	12½%
Henry Ansbacher	12½%
Amro Bank	12½%
Associates Cap. Corp.	13 %
Banco de Bilbao	12½%
Bank Hapoalim	12½%
BCCI	12½%
Bank of Ireland	12½%
Bank of Cyprus	12½%
Bank of India	12½%
Bank of Scotland	12½%
Banque Belge Ltd.	12½%
Barclays Bank	12½%
Beneficial Trust Ltd.	13½%
Brit. Bank of Mid. East	12½%
■ Brown Shipley	12½%
CL Bank Nederland	12½%
Canada Permanent	12½%
Cayzer Ltd.	12½%
Cedar Holdings	13 %
■ Charterhouse Japhet	12½%
Choulartons**	
Citibank NA	12½%
Citibank Savings	¶12½%
Clydesdale Bank	12½%
C. E. Coates & Co. Ltd.	13½%
Comm. Bk. N. East	13 %
Consolidated Credits	12½%
Co-operative Bank	*12½%
The Cyprus Popular Bk.	12½%
Dunbar & Co. Ltd.	12½%
Duncan Lawrie	12½%
E. T. Trust	13 %
Exeter Trust Ltd.	13½%
First Nat. Fin. Corp.	13½%
First Nat. Secs. Ltd.	13½%
■ Robert Fleming & Co.	12½%
Robert Fraser & Ptns.	13½%
Grindlays Bank	‡12½%
■ Guinness Mahon	12½%
■ Hambros Bank	12½%
■ Hill Samuel	§12½%
Heritable & Gen. Trust	12½%
C. Hoare & Co.	12½%
Hongkong & Shanghai	12½%
Johnson Matthey Bkrs.	13 %
Knowsley & Co. Ltd.	13½%
Lloyds Bank	12½%
Edward Manson & Co.	13½%
Meghraj & Sons Ltd.	12½%
Midland Bank	12½%
■ Morgan Grenfell	12½%
Mount-Credit Corp. Ltd.	12½%
National Bk. of Kuwait	12½%
National Girobank	12½%
National Westminster	12½%
Northern Bank Ltd.	12½%
Norwich Gen. Trust	12½%
People's Trust	14 %
Provincial Trust Ltd.	13½%
R. Raphael & Sons	12½%
P. S. Refson	12½%
Roxburghe Guarantee	13½%
Royal Bank of Scotland	12½%
Royal Trust Co. Canada	12½%
■ J. Henry Schroder Wagg	12½%
Standard Chartered	‖12½%
TCB	12½%
Trustee Savings Bank	12½%
United Bank of Kuwait	12½%
United Mizrahi Bank	12½%
Westpac Banking Corp.	13 %
Whiteaway Laidlaw	13½%
Williams & Glyn's	12½%
Yorkshire Bank	12½%

■ Members of the Accepting Houses Committee.
* 7 day deposits 9¼%. 1 month 10¼%. Top Tier—£2,500+ at 3 months notice 12½%. At call when £10,000+ remains deposited.
‡ Call deposits £1,000 and over 9¼% gross.
§ 21-day deposits over £1,000 10¼%.
¶ Mortgage base rate.
** See Provincial Trust Ltd.
§ Demand deposits 9¼%.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Pearl Trust Managers Ltd. (a)(g)(z)
252, High Holborn, WC1V 7EB. 01-405 8441

Pearl Growth Fd	54 1	68 2xd	-0 1	5 11
Accum Units	94 8	100 9	-0 1	3 11
Pearl Inc	87 5	93 1	-0 2	5 05
Pearl Unit Tst.	93 7	99 7	-0 1	3 97
(Accum Units)	156.2	166.2	-0.3	3 97

Perpetual Unit Trust Mngmt. (a) (z)
48, Hart Street, Henley on Thames. 0491 576868

Growth	182.7	195 6	-0.6	1.47
Income	138.8	148.7	-0.9	5.49
Worldwide Recovery	106 1	113 9	-1 2	2 08
American Growth	58.5	62.8	-0.1	0 67
Intl Emerging Cos.	58 9	63.2	+0.2	0 79
Far East Growth Fd.	47.1	50.6	-0 6	1.00

Prolific Unit Trusts
222, Bishopsgate, EC2. 01-247 7544/7

Prolific Far East	107 4	114.6	-0.2	0 45
Prolific Extra Inc.	62.5	66 5	+0 1	5 78
Prolific Gilt Cap.	78.2	81 4xd	+0.1	3.38
Prolific High Inc	130.3	138.6xd	+0.2	5.11
Prolific Intl	86.6	92.8	-0.3	1.63
Prolific N Amer	117 0	123 4	-0.2	1.66
Prolific Spec. Sits.	148.5	158 0	-0.3	1.29
Prolific Technology	114.2	122 4	-0.1	0.82

Providence Capitol Fd. Mgrs. Ltd.
30 Uxbridge Road, London, W12 8PG. 01-749 9111

Japan Trust	49.2	52.1	+0 4	0.19
Worldwide	48.1	51.0	-0.1	2.60
European Trust	47.7	50.5	+0.3	0 92
North American	52.2	55.3	-0.2	1.10
UK Equity	48.5	51 4	-0.3	3.10

Prudential Unit Trust Mngrs Ltd. (a) (b) (c)
51-69, Ilford Hill, Ilford, Essex, IG1 2DL 01-478 3377

Prudential	323.6	344.2xd	-1.2	3.37
Holborn Gilt Tst.	146.2	153 1xd	+0.1	9 13
Holborn High Inc	53.2	56.5	+0 1	7 99
Holborn Intl	58 4	62.1	+0.2	0.53
Holborn UK Growth	63 4	67.4	....	1.96

Quilter Management Co. Ltd.
31-45 Gresham Street, EC2. 01-600 4377

Quadrant Gen. Fd	322.4	341.0	....	3 44
Quadrant Income	182.4	192 1	..	6.22
Quadrant Intl. Fund	307.5	323.7	..	1.51
Quadrant Recovery	200.5	211.1	....	2.73

Reed Stenhouse Inv Services Ltd
145, Borough High St, Ldn SE1 1NV 01-628 6011

Wellington Inc.	48.5	51 6	..	2.00
Wellington Growth	100.2	106.4xd	..	2.00

Reliance Unit Mgrs. Ltd.
Reliance Hse, Tunbridge Wells, Kent. 0892 22271

British Life	133.3	141 0	-0.1	4.33
Reliance Unit Tst (Inc)	86.4	92.3	-0.1	3 97
Reliance Ut Tst (Acc)	111 5	119.1	-0.1	3 97

Ridgefield Management Ltd.
35 Fountain St, Manchester M2 2AF. 061-236 5685

Income UT	94.2	100 7	-0.3	6 74
International UT	222.3	237 7	-5 7	1 00

N.M. Rothschild Asset Management
St Swithin's Lane, London EC4. 01-280 5456

NC America (Inc)	235 1	247.4	+0.1	1.35
NC America (Acc)	249.8	262.9	+0 1	1.35
NC Engy Res. Tst.	173 8	182 9	-1.4	2.25
NC Inc Fd.	327.7	344 9	+0.3	5.17
NC Japan Fund	113.6	119 5	-2.5	0.02
NC Smaller Cos	109 4	115.1	-0.3	2.04
NC Smaller European	103 1	108.5	+0.6	0.81
NC Exempt Gilt 7s*	£116 0	121.0xd	.	13.10
NC American Prop*	$11.21	11.80xd	..	—
NC Prop.*	185.0	194 8	...	—

*Unauthorised Unit Trusts

Rowan Unit Trust Mngt. (a)
3 Finsbury Av, London, EC2M 2PA. 01-606 1066

American May 23	198.5	202 5	....	1 03
Securities May 28	569.0	584 0	....	2.31
High Yield May 24	131.0	134 5xd	....	5.85
Merlin May 29	274.0	282.0	+7.0	1 91
Fixed Interest	145.0	146 0	.	2 95
High Interest	117.5	110.5	.	12.54
Far East May 28	123.0	126.5	....	1.10

Royal Life Fd. Mgmt. Ltd.
New Hall Place, Liverpool L69 3HS. 051-227 4422

Equity Trust	48.1	51 1xd	-0.2	3.08

TSB Unit Trusts (b) (c) (y)
PO Box 3, Keens Hse, Andover, Hants, SP10 1PG
0264 62188 Dealings to 0264 63432-3

TSB American	98.7	105.0	-0.6	1.18
Do Accum	101 6	108 1	-0 6	1 10
TSB Extra Income	86.9	92.5	-0.1	6.06
Do Accum.	96 7	102 9	+0.2	6.06
TSB General	119.2	126 8	-0.5	1.32
Do Accum	190 2	202 3	+0 7	3.32
TSB Gilt & Fxd Int	46 0	48.0xd		9 93
Do Accum	55 6	58.0		9.91
TSB Income	159.5	169 7xd	-0 3	4.98
Do. Accum	240 8	256.2	-0.4	4.98
TSB Pacific	109 1	116 1	+0.2	1.07
Do Accum	111 0	118.1	+0.2	1.07
TSB International	229.2	243.9xd	-0.1	1.89
Do Accum	278 9	296 8	-0.2	1.89
Natural Resources	48.2	51.3	-0.8	2.51
Do Accum	48.6	51 8	-0.9	2.51
TSB Sictd. Opps.	47.7	50.8	-0.2	2.42
Do Accum	51.4	54 7	-0.2	2.42

3i & Target Fund Mgrs Ltd
Target House, Gatehouse Road, Aylesbury, Bucks Aylesbury (0296) 5941

Small Co's Fund	71.9	76.9xd	-1.0	0.30

Target Trust Mngrs. Ltd. (a)(g)
Target Hse, Gatehse. Rd, Aylesbury Bks (0296) 5941

American Eagle	68.8	73 6	..	0.19
Australia	28.8	30.7	-0.2	0 10
Commodity	100.3	107.8	..	1.55
Energy	46.8	50.1	...	0.66
Equity	101.6	108 4	-0 5	3.71
European Spec. Sits.	49.5	52.9	-0.2	0.95
Extra Income	89.1	95.3	..	7.41
Financial	204 0	217 6	-0.4	2 93
Gilt Capital	209.9	219 8	+0.2	3.25
Gilt Income	100 1	104.4xd	+0 1	9.28
Gold Income	64.8	69 3xd	-2.0	4.14
Gold Acc.	117.2	125 3	-3 6	4.14
Income	59.7	64 2	-0.2	5.83
Investment Tst	99.0	105 6	-0.3	1.28
Japan	44 9	47.9	-0.2	0.10
Malaysia & Singapore	27.7	29.5xd	+0.3	0 90
Pacific Income	69.6	74.4	+1.0	1.04
Pacific Re Inv	84.5	90.4	+1.2	1.04
Preference Share	15 4	16 6xd	+0.2	10.41
Professional	488.7	521 3xd	-3.6	1.90
Special Sits	87.6	93 7	.	1.84
Technology	42.7	45 7	-0 1	0 1
U S. Special Bond	49.8	53.3	-0.2	6.24
Worldwide Capital	112 0	120 3	-1.1	1 77
Equity Exempt May 29	629 9	671.9xd	..	2.50
Equity Ex Acc May 29	1357.0	1235.0	..	2.50

Temple Bar Unit Trust Mgrs Ltd
Electra Hse, Temple Pl, Vic Emb, WC2. 836 7766

Electra Small Cos. Fd.	123 62	130.42	.	3 74
High Income	41.6	44.6xd	-0.1	7.58
North American	110 3	117.3	+1.3	0.65
Recovery	118.5	126 1xd	-0.2	3.93
Gilt Trust	36 7	38.0xd	..	10.03
St Vincent U S. Gwth	71.8	74 8	+1.1	0.82
St Vincent High Inc	67.0	69.9	.	6.26

Touche, Remnant Unit Trust Mngt. Ltd.
Mermaid Hse, 2 Puddle Dock, EC4. 01-248 1250

TR American Growth	26 7	28.6	.	0.30
TR General Growth	38 7	41.2	-0 1	2 48
TR Global Tech.	29.2	31.1xd	-0.3	0 10
TR Income Growth	44.2	47.6	-0 1	5 07
TR Income Monthly	39.0	41.5	..	7.43
TR Overseas Growth	35.1	37.3xd	+0.2	1.72
TR Smaller Cos	40 4	43 0	-0.2	1.92
TR Special Ops	42.5	45.7	-0.1	1.27

Trades Union Unit Trust Managers
100, Wood Street, EC2. 01-628 8011

TUUT May 1	127.4	134.2xd	..	3.80

Transatlantic and Gen. Secs. (c) (y)
91-99, New London Rd., Chelmsford. 0245-51651

Colemco May 17	376.4	393 3	..	4 19
(Accum Units)	601.0	628 0	..	4 19
Fielding Fd May 23	193.5	207.5	..	3 66
(Accum Units)	210.1	225.3	..	3.66
Fielding Inc May 23	137 6	147.6	..	5 10
Fielding AM&Gen May 23	207.8	220.2	..	2.71
(Accum. Units)	233.6	247 6	..	2.21
S&W American May 22	139.3	146.4xd	+1.2	2.71
S & W Smaller Secs.	95.2	100.3	..	2.00

Tyndall Managers Ltd.(a)(b)(c)
18, Canynge Road, Bristol. 0272 732241

Australian Securities	64 8	69 4xd	-1.4	0 70

Barclays Life Assur. Co. Ltd (z)
252 Romford Road, E7 01-534 5544

Barclaybond	283.5	298 5		—
Equity Accum	326 9	344 0	-0.7	..
Do Initial	299 6	315 4	-0 6	—
Gilt-edged Accum.	179 5	189.0	+0 1	—
Do. Initial	166.2	175 0	-0.1	—
International Acc.	201.3	211.9	+1.3	—
Do. Initial	184 0	193 7		—
Managed Acc	241.8	254.6		—
Do. Initial	222.6	234.4		—
Money Acc	160.1	168.6		—
Do Initial	144.5	152.2		—
Property Acc.	204 9	215.6		—
Do. Initial	189.6	199.6		—
America Acc	154 9	163.1	+1.3	—
Australia Acc	129 9	136.8	-2.8	—
Financial Acc.	160.0	168.5	-0 4	—
'500' Acc.	160 6	169 1	-0.4	—
Greater Pac. Acc	190.7	200.8	+0.4	—
Income Acc.	173.4	183.1	+0 6	—
Leisure Acc.	119.3	125.6	+0.1	—
Spec. Sits. Fd. Acc.	96.9	102.0	-0.2	—
Universal Tec Acc	93 0	97.9	+0.5	—
Equity Pns. Acc.	113.5	119.6		—
Do. Initial Srs 2	109.2	115.0	...	—
Gilt Edged Pns.Acc.	240.4	253.3		—
Do. Initial Srs 2	97.0	102.2		—
Int. Pens. Acc	98.6	103 9	....	—
Do. Initial Srs 2	94.8	99 9		—
Managed Pns. Acc	314 6	331.3	..	—
Do. Initial Series 2	102.9	108.2	..	—
Money Pens.	218.3	229.9	..	—
Do Initial Series 2	98.2	105 4	.	—
Property Pens.	99.5	104 8	.	—
Do. Initial Series 2	95.6	100.7	.	—

Black Horse Life Ass. Co. Ltd.
346a, High St., Chatham 0634 405161

Black Horse Man. Fd.		295.82	....	—
Managed Inv. Fd.	200.22	210.76	.	—
Property Fd.	162.27	170 82	.	—
Fixed Interest Fd.	156.59	164.84	..	—
Cash Fd	149.04	156.89		—
Income Fd.	252.54	265.84	.	—
Extra Income Fd	234.38	246 73	.	—
Worldwide Growth Fd.	239.04	251 63	..	—
Balanced Fd	241.12	255.82	..	—

Cornhill Insurance PLC
57 Ladymead, Guildford. 0483 68161

Equity Fd May 20	183.0	191 0	..	
Fixed Int May 20	140.0	147 5	.	
Man Growth May 20	400.5	422.0		
Money Fd May 20	128.5	135.5	.	
Cap Fd April 24	300 0			
G.S.S. Spec Fd April 15	128 0			
Far Eastern Equity	114 0	120.0		
N. Amer. Equity	111.5	117.5		
Int'l Technology	102.0	107 5		
Property	106.0	112.0		—

Credit & Commerce Life Ass. Ltd.
74, Shepherds Bush Green, W12 8SD 01-740 7070

Life Funds

UK Equity	112	119	..	
American Equity	105	112	..	—
Far East Equity	91	97		—
Managed Fund Acc.	287	303	...	—
International Equity	105	111	..	—
Gilt Edged	169	179	..	—
Money Fund	132	140	..	—
CCL Henderson	112	119	..	—
CCL Perpetual	141	150	....	—
CCL Property	149	158		—
Smaller Cos.	213	226		—
Richard Field Managed	91	97		—

Pension Funds

UK Equity	119	126	....	—
American Equity	110	117	...	—
Far East Equity	95	101	.	—
Managed Fund Acc.	313	330		—
International Equity	108	135	.....	—
Gilt Edged	224	237	.	—
Money Fund	154	163	..	—
CCL Henderson	108	114	..	—
CCL Perpetual	116	121	..	—
CCL Property	102	109	.....	—
Smaller Cos.	124	131		—

Criterion Assurance Group
Swan Court, Petersfield, Hants 0730 63281

Criterion Mngd Fund	121.7	128.1	+0.2	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU

Guardian Royal Exchange
Royal Exchange, EC3.

INSURANCES

Hambro Life Assurance P.L.C.

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.57		

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Advanced Tech	$9.19		
Dynamic Gwth Fd.	$8.39		

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Charities Deposit Fund 77 London Wall, London EC2N 1DB 01-588 1815				
Deposit	12.3			3-Mth
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	12.66	9.47	14.05	6mth
7-day Fnd	12.78	9.55	14.18	6mth
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	12.13	9.07	13.38	6-Mth
7-day Fund	12.34	9.22	13.60	6-Mth
Dollar	6.50			6-Mth
Money Mngt. Acct.	12.00	8.97	13.43	3-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Adam & Co. plc 22 Charlotte Sq. Edinburgh, EH2 4DF 031-225 8484				
Full Service Cur Acc	12.25	8.75	13.09	qtr
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	12.50	9.34	14.03	Qtr
Mth. Int. Chq.	12.375	9.25	14.05	Mth
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc.	12.05	9.00	13.40	Mth
...				
Premium Account	12.25	9.15	13.73	Qtr
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB. 0708 66966				
H.I.B.A.	12.06	9.01	13.47	Daily
Tyndall & Co 29-33 Princess Victoria St, Bristol. 0272 732241				
Demand Acc	12.31	9.20	13.80	Qr
Money Acc.	12.375	9.25	13.87	Qr
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth 0705 827733				
Special Acc.	12.10	9.04	13.70	Mth
Over £10,000	12.35	9.23	14.02	Mth
Western Trust & Savings Limited The Moneycentre, Plymouth PL 1SE 0752 24141				
High Int Chq Acc.	12.69	9.48		

NOTES—Gross rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ● Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ● Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

Dairy Trade Federation breaks industry truce

BY ANDREW GOWERS

THE UK dairy industry yesterday mounted a bitter attack on the Government and on the Milk Marketing Board, claiming that Britain's current dairy market arrangements are "drifting onto the rocks."

Mr Chris Ball, recently-elected president of the Dairy Trade Federation, told its annual lunch:

"I have to confess to a feeling of despair in relation to the attitudes as well as the actions of MAFF (the Ministry of Agriculture) and the MMB."

The attack comes as management consultants Touche Ross are completing a wide-ranging inquiry — commissioned by the Government — into the relationship between the Milk Marketing Board and its commercial subsidiary Dairy Crest.

It also marks an abrupt end to the apparent ceasefire in the £3bn-a-year dairy industry signalled by last year's agreement between the DTF and the MMB, which *set up a formal* procedure for dairy companies to air their grievances.

The new forum has met once since the agreement, and will meet again next month.

But Mr Ball complained that despite the new arrangement, the MMB had repeatedly failed to *consult* the *dairy* trade on important pricing issues, and the Agriculture Ministry "appeared to have lost the art of prior consultation and communication." *He referred* in *particular* to Dairy Crest's introduction of a new dairy spread, Clover, without agreement on the price of milk to be used in the product.

"Either by design or default, the Milk Marketing Scheme (the statutory arrangement which has regulated the industry since 1933) is becoming increasingly unworkable," Mr Ball said.

Replying to the DTF president, Mr Jopling did not allude directly to his criticisms. But he said it was "a pity" that the dairy industry forum had taken some time to set up.

The Touche Ross inquiry, which was set up after complaints that Dairy Crest was an unfair competitor and which could have far-reaching effects on the dairy industry, will probably be completed in the next month or so.

● Mr Jopling also spoke of the need to reduce milk production further, which still exceeds consumption by 13 per cent following the introduction of quotas last year. He said he would study plans being drawn up by the European Commission to reduce output by buying up and cancelling quotas.

Malaysia and Nigeria sign palm oil deal

By Wong Sulong in Kuala Lumpur

MALAYSIA HAS signed a contract with Nigeria for the sale of between 90,000 and 100,000 tonnes of palm oil, worth $77m in the biggest-ever commercial deal between *the two countries.*

The deal, clinched by the Malaysian Overseas Investment Corporation (MOIC) a semi-official investment and trading group, reflects the strong interest by Malaysia in developing Nigeria as a market for its palm oil. The palm oil is purchased by the state-owned Nigerian National Supply Corporation.

Last year, Nigeria imported 109,000 tonnes of palm oil from Malaysia, but most of it was handled by businessmen in Singapore.

Mr Mohamed Abdullah Ang, MOIC's managing director, said MOIC was holding discussions with the Nigerian authorities on the purchase of crude oil for third party trade. "We are also looking for markets for their agricultural products and *might* get involved on developing an oil palm plantation for them," he said. "We are also looking at the possibility of penetrating the other African markets such as Kenya and Algeria for local products such as cotton, yellow corn and crude oil for third party trade."

MOIC is also negotiating with Bangladesh for the supply of 40,000 tonnes of palm oil.

Farmer's viewpoint by **John Cherrington**

Cutting the harvest down to size

ACCORDING TO the Home Grown Cereals Authority's latest forecast Britain could have a grain surplus of nearly 12m tonnes at the completion of next harvest. It would be made up of opening stocks, mainly in intervention totalling some 4m tonnes, plus the surplus over UK consumption from the latest harvest of some 8m tonnes. Up to the end of March some 4.3m tonnes of wheat and barley had been exported, but the prospects for future exports are bleak. This is clearly *realised by the intervention* authorities, who are actively seeking extra grain storage.

Strictly speaking intervention purchases are the Community's affair, but they are financed by the member country and only repaid when the produce has been sold. The financing 8-9m tonnes of grain storage, costing say £1bn, must have an impact on the money supply and the public sector borrowing requirement. The prospects for exports are affected by the continuing weakening of the U.S. dollar after falling more than 20 per cent against sterling since January. The Australian currency has also drifted down and Argentine grain is competing in a buyers market.

It is a market in which it is hard to find an eager buyer. Russian harvest prospects are considered good and China, like India, has started exporting, though only in small quantities. In addition, the U.S. has announced positive measures to aid exporters. If the EEC decided on a competitive export policy it would probably have to aim at a shipped price at least £30 per tonne below the intervention price for feed grain, and not much less of a discount for wheat. In Britain's case wheat is difficult to move because so much of it is of feed varieties which have the same *value as maize but are not* traded as such.

The HGCA's calculations are based on the trend of yields and while these could be affected by the weather the estimate of 26m tonnes, 400,000 less than last year could easily be achieved. Even if production were as low as 23m tonnes it would still leave an export or intervention requirement of 6m tonnes. The situation is similar in the rest of the EEC with the largest stocks held in France and Germany. *Total EEC, opening* stocks are expected to be between 18m and 22m tonnes.

Set in this context the Council of Ministers' refusal to countenance even a 5 per cent cut in prices is only to be explained by the fact that they realised that such a small cut, favoured by Mr Jopling and some others would do *nothing* to reduce cereal production and was not even a serious contribution to a solution of the problem. The average increase in UK production between 1974/84 works out at 6 per cent per annum more than enough to compensate for a 5 per cent price cut.

What is to be done then? An easy answer would be to ban *the import* of the so called cereal substitutes — tapioca, citrus pellets, brans and so on. Of the often quoted imports of maize gluten and soyameal about *half* the *total* are basically proteins essential in cereal mixes and not available in Europe. To cut any of them would either upset the third world the U.S. and such countries as Holland and West Germany which make fullest use of them.

Another option is to raise the standards for grain accepted for export or intervention. Such rejected grain would be thrown on a free home market and would probably so debase it as *to stimulate farmers to achieve* the increased standards qualifying for these two outlets. This might even congest the stores and increase the cost of exports even more.

A quota on deliveries, a third alternative, would be difficult to enforce as was found in Canada and Australia in the 1960s. *There black markets developed* as farmers took any price they could get to generate some cash *flow. Again it would depress* local prices but not undercut export sales.

The fond hope among those who favour the declining prices option is that it will drive those growing cereals on marginal land back to other crops or farming systems. Advocates of this are generally well settled on the best land. I once believed this myself. But having seen the quality of crops and yields on land once considered mar*ginal for any purpose, I believe* these people could compete with those on the best of land almost for ever.

I still believe that only physical limits on acreages devoted to cereals, quotas in other words, have a chance of working. Most dairy farmers will tell you milk quotas were inevitable although the method of their implementation left a great deal to be desired.

Of course there is yet another way—farm support could be removed altogether. Farming history contains periods of high production stimulated by high prices followed by market collapse and slump. Most developed countries *have tried to shield* their farmers from this process and most have failed to do so at a reasonable cost. A satisfactory solution seems beyond the wit *of man.*

Philippines to cut sugar production

By Our Commodities Staff

THE PHILIPPINES is to limit sugar production to 1.6m tonnes a year, down from 2.3m produced in the 1984-85 season. President Ferdinand Marcos announced in Manila yesterday. The figure will be divided among planters through a quota system linked to previous performance.

Officials at the Presidential Palace said the reduced target had been set at a level sufficient to meet domestic demand and exports to the American market.

The Philippines Sugar Commission expects output to drop further, however, to a level below total demand. Many farmers are opting out of sugar because they only receive 4 cents a pound against production costs amounting to 12 cents a pound.

The news follows Brazil's recent announcement that it wil cut sugar production

Slow start for Amsterdam gold futures market

BY LAURA RAUN IN AMSTERDAM

THE NEW Amsterdam gold-futures market, the first such exchange in Continental Europe, got off to a slow start on the first day of trading yesterday with only 21 contracts *changing hands.*

Market participants, however, were undaunted by the sluggish beginning and expressed optimism about the future. Mr G. Stenacker, project *manager* of the exchange, said he was "not at all disappointed" with the volume, which was in line with expectations. The hope is that *daily volume soon* will climb to between 50 and 100 contracts.

A jobber reasoned that trading was slow in other markets as well, and that institutional investors *stayed* away, fearing to be the first to jump into the market. He reckoned that most of his first-day business had come from private investors.

The July contract, the nearest trading month, closed at Fl 35.40 per gramme on a mere two trades. That was little changed from the opening price of Fl 35.35 although the Amsterdam spot price was equally flat around Fl 35.000 per kilogramme. The most active con*tract was for October delivery,* which closed at Fl 35.50 per gramme on 12 trades.

The new market is the initiative of the Amsterdam-based European Options Exchange (EOE), and is operating as a two year pilot programme to determine whether domestic interest in gold futures is sufficient to expand into a more international exchange.

Amsterdam's move into gold *futures trading follows closely* on the heels of the London gold futures market's demise and the lessons aren't lost on the Dutch. Mr Stenacker contends that the *London futures market couldn't* compete with the overwhelming presence of its physical market.

Aluminium down

ALUMINIUM PRICES broke their recent lull and dropped sharply on the London Metal Exchange yesterday, our commodities staff writes.

The cash price fell £19.50 a tonne from the previous day's unofficial close to £851 per tonne. The price also fell in dollar terms.

Dealers said the drop reflected commission house selling, and the fact that prices failed to find support at key levels during the day. Fundamentals for the metal continue to point downwards, they added.

Halt forecast in growth of wool supplies

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

THE EXPANSION of world supplies, which has been continuing *since* the late '70s, accelerated to 1.5 per cent in the 1984-85 season, which is just drawing to a close.

This figure compares with an increase of *0.8* per cent in 1983-84 and took global output to a record 2.98m tonnes greasy (equivalent to 1.68m tonnes clean).

Presenting these *statistics* to the International Wool Textile Organisation in Barcelona this week Mr Michael Godfrey, of the Commonwealth Secretariat, warned there was a definite prospect during the coming 1985-86 season of the first fall in the availability of wool for six or seven years.

The industry had faced high volatility in exchange rate fluctuations and this had hit the current season, causing unprecedented trading difficulties, he said.

In the first half of the 1984-85 season exchange rates moved against Australia, which provides the greater part of the *world's* apparel *wools, for* the second successive season.

A sharp appreciation of the Australian dollar led to a very large increase in the country's stockpile. By the end of November it had reached a nine-year peak of 1.52m bales.

This movement enabled South Africa, where exchange rates favoured the farmer, to *sell 93* per cent of its wool clip and half its stockpile. New Zealand also benefitted.

An abrupt turnround in the *second half of the season saw* the Australian dollar sink, Mr Godfrey said, and within weeks the country became the cheapest wool market after a long spell of *being* the dearest. In consequence, demand recovered and the stockpile had been reduced to 1.1m bales by early May.

By contrast, adverse monetary developments in South Africa caused prices to slump sharply in early February and the New Zealand market was also much less buoyant in the second *half.*

Turning to manufacturing, Mr Godfrey reported a substantially better performance in 1984 than in 1983.

The expansion was *strongest* in Japan and Italy, though China (where another 80,000 wool spindles were installed last year), South Korea, India, West Germany, and Spain all *saw* improved conditions.

With a slowing in economic growth in many countries, especially the U.S., likely in 1985-86, Mr Godfrey *forecast* some uncertainty over the future.

LONDON MARKETS

BASE METALS

LME prices supplied by Amalgamated Metal Trading

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	850.5-1.5	—18.5	849
3 months	874-0	—19.25	899/866.5

Official closing (am): Cash 849.5-50.5 (872-3), three months 874-.5 (895-.5), settlement 850.5 (873). Final Kerb close: 871. Turnover 18,225 tonnes.

COPPER

Higher grade	Unoffic'l close	+ or —	High/Low
Cash	1178-9	—12.5	1187/1186
Three m'nths	1178-9	—11	1191/1176

Official closing (am): Cash 1,185.5-8.5 (1,204-5), three months 1,184.5-5 (1,199.5-200.5), settlement 1,186.5 (1,205). Final Kerb close: 1,178.5.

Cathodes			
Cash	1170-4	—7.5	1180
Three m'nths	1170-1	—9	1170

Official closing (am): Cash 1,180-1 (1,193-5), three months 1,176-9 (1,193-5), settlement 1,181 (1,195). *Turnover 22,675 tonnes*, *U.S. Producer* prices 68.74 cents per lb.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	298-6	+1	297/996.5
3 months	301-9	+1	302/301

Official closing (am): Cash 2,965-7 (295.5-8), three months 302.5-3 (300-.5), settlement 297 (296). Final Karb close: 302. Turnover 4,575 tonnes. U.S. Spot: 20-21 cents per lb.

NICKEL

	Unofficial close p.m. £ per tonne	+ or —	High/low
Cash	£4420-30	—22.5	4520/4470
3 months	£4410-5	—95	4475/4410

Official closing (am): Cash 4,495-500 (4,430-5), three months 4,470-5 (4,387-9), settlement *4,500 (4,435)*. Final Kerb close: 4,405. Turnover 1,092 tonnes.

TIN

High grade	Unofficial close (p.m.) £ per tonne	+ or —	High/low for day
Cash	£9615-25	—55	9680
3 months	£9690-800	—15	—

Official closing (am): Cash 9,680-5 (9,635-40), three months 9,660-70 (9,618-20), settlement 9,685 (9,640).

Standard			
Cash	9618-95	—30	9685/9689
3 months	0580-90	—90	9655/9590

Official closing (am): Cash 9,680-2 (9,635-8), three months 9,650-60 (9,610-1), settlement 9,682 (9,638). Final Kerb close: 9,675. Turnover 1,425 tonnes. Straits tin M$29.21 (29.31) kilo.

ZINC

	Official close (p.m.) £ per tonne	+ or —	High/low
Cash	019-3	+7	—
3 months	018-9	+5.75	098/017

Official closing (am): Cash 817-8 (808-9), three months 824-.5 (817-8), settlement 818 (809). Final Karb close: 820. Turnover 10,575 tonnes. U.S. Prime Western: 45.50-47.50 cents per lb.

MAIN PRICE CHANGES

In tonnes unless otherwise stated

METALS	May 29 1985	+ or —	Month ago
Aluminium	£1100	......	£1100
Free Mkt	$1100/180	—30	$1145/1175
Copper			
Cash h Grade	£1178.5	—12.5	£1204
3 mths	£1178.5	—11	£1178.5
Gold troy oz	$316.5	+6.75	$311.75
Lead Cash	£295.5	+1	£311
3 mths	£301.5	+1	£300.75
Nickel			
Free Mkt	250/280c	......	248/278c
Palladium oz	$99.00	+1.5	$111.75
Platinum oz	$265.75	+4.75	$275.25
Quicksilver†	$290/298	......	$288/290
Silver troy oz	477.80p	+9.40	498.80p
6 mths	492.80p	—0.85	514.10p
Tin cash	£9590	—30	£9400
3 mths	£9585	—20	£9385
Tungsten	$78.03	......	$77.70
Wolfram 22.04lb	$63/66	......	$70/73
Zinc	£619.5	+7	£706.5
3 mths	£618.5	+5.75	£704.25
Producers	$930/960	......	$980

OILS	May 29 1985	+ or —	Month ago
Coconut (Phil)	$640	—15	$765
Palm Malayan	$585z	—5	$700
SEEDS			
Copra Phil	$390x	......	$480
Soyabean (U.S.)	$231.2w	—4.9	$244.75
GRAINS			
Barley Fut. Sep	£98.60	—0.35	£98.85
Maize	£149.50	......	£150.50
Wheat Fut Sept	£99.10	—0.50	£123.50
No. 8 Hard Wint.	‡	......	‡
OTHERS			
Cocoa Ft. July	£1775.5	—21	£1820.5
Coffee Ft. July	£2058	—34.5	£2158.5
Cotton A Index	64.30c	—0.15	55.10c
Gas Oil July	$216.5	—1	$215.75
Rubber (kilo)	64p	+1	66.5p
Sugar (raw)	$90xy	+0.5	$96
Wooltops 64s	477p kilo	......	475p kilo

‡ Unquoted. x May-June. w Sept. y July. z June. † Per 76-lb flask. c Cents per pound.

INDICES

FINANCIAL TIMES

May 28	May 24	M'th ago	Year ago
283.09	283.75	295.08	317.17

(Base: July 1 1952 = 100)

REUTERS

May 29	May 28	M'th ago	Year ago
1920.4	1828.9	1877.1	2020.4

(Base: September 18 1931 = 100)

MOODY'S

May 14	May 13	M'th ago	Year ago
991.9	923.9	—	—

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	May 28	May 24	Month ago	Year ago
Spot	117.38	118.83	—	142.05
Fut.	119.63	191.43	—	142.10

(Base: December 31 1974 = 100)

OIL

Brent traded thinly at slightly higher levels. Dubai was the most traded Gulf crude and continued to show significant gains. Nymex opened 3c down and traded 10c up at 1 pm EST. In the petroleum products market gas oil prices opened a dollar weaker after a soft Tuesday Nymex close but prices picked up over the day in a nervous and uncertain market. Heavy fuel weakened slightly despite tentative buying interest—Petroleum Argus, London.

SPOT PRICES	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—June		
Arab Light	26.80-26.85	+0.10
Arab Heavy	25.10-25.20	—
Dubai	26.00-26.05	+0.20
Brent Blend	26.90-27.00	+0.05
W.T.I. (1pm est)	27.60-27.70*	—0.05
Forcados (Nigeria)	26.60-26.65	—
Urals (cif NWE)	26.10-26.25	+0.10
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	286-990	—
Gas Oil	217-218	—
Heavy fuel oil	130-131	—1

* July

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close $ U.S. per tonne	+ or —	Business Done
June	218.95	—0.25	218.50-18.75
July	216.50	—1.00	216.50-15.75
Aug	218.95	—0.50	210.25-17.00
Sep	290.00	—	220.00-19.50
Oct	289.50	—1.00	222.50
Nov	294.00	+1.75	—

Turnover: 1,161 (1,005) lots of 100 tonnes.

GOLD

Gold rose $6¾ to $316¼-$316¾ on the London bullion market yesterday. The metal opened at $310½-$311, and touched a low of $310⅛-$310⅝, but started to move up on short covering and a rebound from a technical resistance level of around $310. Gold was fixed at $311.20 in the morning and $312.00 in the afternoon, and touched a peak of $317½-$318 as the dollar lost ground on the foreign exchanges.

GOLD BULLION (fine ounce) May 29

Close	$310¼-316¾	(£250-250½)
Opening	$310½-311	(£247-247½)
M'nl'g fix.	$311.20	(£247.574)
Aft'n'n fix.	$319.00	(£247.519)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$380¾-326½	(£267½-208)
½ Krug.	$168-168¾	(£135¾-133½)
¼ Krug.	$85¼-86	(£67⅞-68)
1/10 Krug.	$35-35¾	(£27½-28½)
Mapleleaf	$326-326¾	(£257¾-258½)
New Sov.	$74¾-75½	(£59-59½)
½New Sov	$45¼-46	(£35¾-36¼)
Old Sov.	$76-77½	(£60-61¼)
$20 Eagle	$450-490	(£356-387)
Noble Plat	$971½-974¾	(£816-917½)

SILVER

Silver was fixed 9.4p an ounce lower for spot delivery in the London bullion market yesterday at 477.8p. U.S. cent equivalents of the fixing levels were: spot 600.10c, down 9.9c; three-month 611.85c, down 10c; six-month 624.75c, down 10.5c; and 12-month 650.9c, down 10.8c. The metal opened at 475-478p (597-600c) and closed at 486-489p (615-618c).

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	477.80p	—9.40	486.5p	—7.5
3 months	492.60p	—0.65	501.5p	+7
6 months	507.70p	—9.55	—	—
12months	534.55p	—10.4	—	—

LME—Turnover: 23 (43) lots of 10,000 oz.

Three months high 493, low 492.9.

FREIGHT FUTURES

A very quiet physical market induced activity on the futures. Levels remained in a *very narrow trading range, reports* Clarkson Wolff. The Baltic Freight Index was 950.0, down 4.5 points.

	Close	High/Low	Prev.
July	888/889	898/887	881/882
Oct.	995/924	927/994	998/931
Jan.	916/917	916	990/992
April	970/1096	—	960/1065
July	900/935	—	930/950
Oct.	890/980	—	945/885
Jan.	980/1050	—	980/1050
April	950/1100	—	1040/1110

Turnover: 85 (109).

GRAINS

Old crop wheat continued its recovery on expectation of large intervention offers, but failed to hold and closed at the day's low. New crops gradually eased on weak world markets and thus lack of internal buying interest to close on a weak note, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
July	118.45	—0.10	—	—
Sept.	99.10	—0.50	98.60	—0.35
Nov	109.40	—0.55	102.85	—0.30
Jan	106.10	—0.05	105.75	—0.35
Mar	109.45	—0.50	108.75	—0.40

Business done—Wheat: July 119.30-8.45, Sept 99.45-9.25, Nov 102.90-2.40, Jan 106.60-6.15, Mar 109.90-9.45. Sales: 112 lots of 100 tonnes. Barley: Sept 98.95-8.60, Nov 102.60-2.30, Jan untraded, Mar 108.95-8.80. Sales: 34 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. dark *northern spring* No. 1 15 *per cent*, July 142.75, Aug 142.50, Sept 140.50, Oct 143.00-sellers transhipment East Coast. U.S. No 2 soft red winter, July 124.50, Aug 127.25, Sept 130.75, Oct 130.25 sellers. EC harvest, 119 quoted. English feed fob, Aug 20/Sept 10 99.50 paid south *coast/Bristol* Channel, Sept 99.75, Oct/Dec 104.60. Maize: U.S. No. 3 yellow/French transhipment East Coast, May 148.50, June 150 sellers. Barley: English feed fob, July/Sept 96.75, Sept 100.50, Oct/Dec 105, Jan/March 111 sellers East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: E. Mids 113.40, N. East 114.20, Scotland 113.90. The UK monetary coefficient for the week beginning Monday, June 3 will remain unchanged at 0.977.

RUBBER

PHYSICALS—The London market opened unchanged, drifted lower throughout the day and closed on an easier note, reports Lewis and Peat. Closing prices (buyers) spot 64.00p (same); July 67.00p (same); August 67.25p (same). The Kuala Lumpur fob price for RSS No 1 was 195.0 (193.5) cents a kg and for SMR 20 was 180.5 (same).

COFFEE

After opening slightly easier, persistent commission house selling in *nearby contracts prompted* a gradual decline, reports OBL. A rise in sterling influenced additional losses before support around £2,065, for July, prevented a sharp fall.

COFFEE	Yesterd'ys Close	+ or —	Business Done
May	2015-25	—33.5	2049-29
July	2057-58	—34.5	2085-57
Sept.	2102-05	—33.0	9134-01
Nov.	2151-54	—33.5	9185-52
Jan	2195-00	—40.0	3930-00
March	2190-95	—99.0	8210
May	9190-00	—5.0	—

Sales: 1,893 (1,223) lots of 5 tonnes.

ICO Indicator prices (U.S. cents per pound) for May 28: Comp. daily 1979 131.72 (132.24); 15-day average 131.82 (131.84).

COCOA

Initially £5 steadier, futures traded uneasily at these levels before aggressive selling on the close left prices at the lows. Light producer involvement was noted in physicals but consumers declined to re-enter the market and still await a further decline, reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or —	Business Done
May	1755-1760	—80.0	1777-1768
July	1775-1776	—21.0	1804-1772
Sept.	1761-1769	—85.0	1792-1761
Dec.	1737-1738	—91.5	1754-1736
Mar.	1750-1751	—8.0	1760-1748
May	1751-1756	—8.0	1772-1750
July	1767-1772	—6.0	—

Sales: 2,969 (2,030) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for May 29: 96.10 (95.79); five-day average for May 30: 96.14 (96.23).

SUGAR

LONDON DAILY PRICE—Raw sugar $90.00 (£72.00), up 50c (up 50p) a tonne for May-June-July delivery. White sugar $134.00, up $1.00.

The market was lower in line with an easier New York market.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Aug	94.8-95.2	95.4-96.2	95.6-94.4
Oct	98.8-99.9	98.8-98.9	98.9-08.0
Dec	103.8-104.8	104.6-106.0	104.2-103.4
Mar	118.0-118.2	118.0-119.2	119.0-117.2
May	120.8-121.9	121.8-122.0	121.8-121.2
Aug	127.8-128.0	128.2-128.6	128.0-127.4
Oct	131.8-132.8	132.4-133.0	132.4-132.2

Sales: 1,030 (805) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £174.50 (same) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports.) Prices for May 28: Daily price 2.81 (2.79); 15-day average 2.76 (2.76).

SOYABEAN MEAL

The market opened £1.00-£1.50 lower on long liquidation, reports T. G. Roddick. Prices remained under pressure on commission house selling to close on the lows.

Sales: 716 (151) lots of 20 tonnes.

	Yesterday close £ per tonne	+ or —	Business Done
June	142.8-141.8	—1.75	—
August	110.5-110.9	—2.00	119.7-110.9
October	114.0-114.5	—2.78	11.65-114.5
Dec	119.5-120.0	—2.80	—
Feb	125.5-127.0	—1.75	—
Apr	127.0-128.5	—2.00	—
June	127.5-128.0	—2.25	—

Sales: 710 (51) lots of 20 tonnes.

POTATOES

Following stronger Dutch prices arbitrage business lifted London prices during the morning. Afternoon trade continued steady, with further buying of April lifting all positions, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
May	64.00	64.00	65.00-61.00
Nov	66.90	64.40	66.90-64.50
Feb	76.00	73.00	—
Apr	87.90	85.30	87.90-85.50
May	95.00	91.80	95.00-92.00

Sales: 337 (97) lots of 40 tonnes.

PIGMEAT

Prices closed slightly lower due to weaker physicals, reports CCST Commodities.

TABLE table table table table—

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
June	106.50	107.00	—
Aug.	100.60	101.00	100.70
Oct	100.70	106.90	106.70
Nov	106.70	106.90	—
Feb	09.00	99.30	—
April	98.80	99.50	—

Sales: 8 (5) lots of 50 carcases. 3,250 hg.

MEAT

SMITHFIELD—Pence per pound. Beef —Scotch killed sides 77.0-82.0; English forequarters 54.0-57.0; Ulster hindquarters 95.5-100.0; Eire hindquarters 93.0-99.0. Veal—Dutch hinds and ends 138.0-143.0. Lamb—English small 86.0-90.0, medium 84.0-88.0, heavy 80.0-830; Imported: New Zealand PL 85.5-86.5, PX 85.0-86.0. Pork—English under 100 lb 48.0-58.5, 100-120 lb 51.0-56.0, *120-160 lb 44.0-52.0.*

MEAT COMMISSION—Average latstock prices at representative markets. GB—Cattle 99.68p per kg lw (—0.32). GB—Sheep 196.66p per kg est dcw (+6.87). GB—Pigs 79.64p per kg lw (+1.01). GB—AAPP 101.96p per kg dw (+0.08).

Sales: 719 (51) lots of 20 tonnes.

U.S. MARKETS

GRAINS and soyabeans were mostly mixed with support derived from higher currency *markets* and *selling* pressure provided by local traders, reports Heinold Commodities. Nearby soya oil received support against sales of deferred *months. Heating oil moved* moderately higher in sympathy with gasoline prices and in anticipation of a further drawdown of industry stocks *of distillates. Precious* metals showed a firmer trend as prices snapped back from an oversold condition; buying appeared to be attracted by a weak tone in the dollar along with evening-up ahead of first notice day for June delivery on May 31. Copper firmed on sympathetic buying in precious metals and continuing tightness in nearby supplies. Aluminium weakened on continuing concern over large primary and refined stocks. Sugar traded slightly lower reflecting featureless cash activity. Cocoa was modestly higher on arbitrage buying linked to the strength in sterling. Coffee declined reflecting the well-covered position of roasters. Cotton was mixed with light support developing on an oversold condition.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
May	50.45	—	—	51.00
June	46.85	—	—	47.20
July	47.00	47.30	46.65	47.55
Sept	47.65	47.95	47.35	48.20
Dec	48.70	48.75	48.25	49.25
Jan	49.06	—	—	49.80
March	49.75	49.90	49.90	50.30
July	51.15	—	—	51.70
Sept	51.85	—	—	52.40

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
July	2083	2090	2055	2072
Sept	2065	2070	2041	2059
Dec	2044	2045	2023	2040
March	2051	2055	2028	2046
May	2061	—	—	2056
July	2066	2070	2070	2061

COFFEE "C" 37,500 lb, cents/lb

	Close	High	Low	Prev
July	144.23	44.85	44.20	44.65
Sept	145.46	45.80	45.30	45.75
Dec	145.26	45.80	45.50	45.25
March	144.45	—	—	44.30
July	142.25	—	—	42.13

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
May	65.35	96.30	65.30	64.80
June	62.25	—	—	61.75
July	62.55	62.75	61.85	62.05
Sept	63.40	63.55	62.76	62.65
Dec	64.25	64.35	63.60	63.70
Jan	64.50	—	—	63.96
March	64.95	65.10	64.40	64.40
July	65.75	65.95	65.10	65.20
Sept	66.15	65.70	66.70	65.60

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
July	62.90	63.43	62.80	63.18
Oct	62.02	62.22	62.00	61.20
Dec	62.48	62.58	62.20	62.33
March	63.40	63.45	63.35	63.36
May	63.86	64.10	63.75	63.82
July	64.05	64.20	63.95	64.02

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
July	27.65	27.74	27.54	27.57
August	27.25	27.28	27.15	27.19
Sept	26.97	27.00	26.90	26.94
Oct	26.80	26.80	26.73	26.76
Nov	26.63	26.65	26.63	26.60
Dec	26.45	26.45	26.38	26.42
Jan	26.25	26.25	26.25	26.36
Feb	—	—	—	26.35
March	26.25	—	—	26.35

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
May	315.4	—	—	310.1
June	315.0	318.5	310.7	310.3
July	317.1	—	—	311.6
August	318.6	321.8	313.9	313.4
Oct	322.4	324.5	317.8	317.1
Dec	328.4	330.0	320.5	321.0
Feb	330.6	333.3	332.2	325.3
April	335.2	336.0	334.9	329.6
June	40.0	341.0	340.5	334.3
August	345.0	—	—	339.2
Oct	350.0	—	—	344.1
Dec	355.5	—	—	349.5
Feb	361.4	—	—	355.3

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
June	71.10	71.20	70.61	70.61
July	70.60	70.70	70.19	70.19
August	71.25	71.40	70.75	70.83
Sept	72.10	72.20	71.60	71.60
Oct	73.05	73.10	72.30	72.50
Nov	73.80	73.85	73.80	73.50
Dec	74.55	74.80	74.55	74.65

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
July	143.15	44.00	38.70	41.20
Sept	140.00	40.00	38.30	39.00
Nov	138.50	39.50	36.00	38.50
Jan	137.75	38.00	38.00	38.50
March	137.00	37.00	36.00	38.65
May	130.95	36.70	36.70	38.70
July	136.95	—	—	38.75

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
June	265.5	282.5	262.5	260.1
July	265.5	268.5	261.0	260.1
Oct	269.8	271.5	265.5	264.4
Jan	274.8	276.0	271.0	269.4
April	280.0	281.0	279.0	274.7
July	282.5	—	—	—

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
May	618.9	625.0	600.0	596.6
June	619.9	622.0	600.0	599.4
July	622.0	627.0	603.5	602.5
Sept	629.7	637.0	611.0	609.9
Dec	642.5	648.0	622.5	622.2
Jan	647.1	642.0	642.0	626.6
March	655.8	658.0	637.0	636.0
May	665.4	651.0	646.0	644.3
July	676.5	671.0	670.5	654.2
Sept	686.2	—	—	664.7

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
July	2.97	3.02	2.97	3.02
Sept	3.11	3.17	3.10	3.19
Oct	3.28	3.32	3.28	3.30
Jan	3.73	—	—	3.71
March	4.18	4.21	4.13	4.10
May	4.35	4.36	4.33	4.38
July	4.56	4.57	4.53	4.58
Sept	4.70	—	—	4.70
Oct	4.86	4.88	4.83	4.87

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
June	61.87	62.80	61.65	62.27
August	64.77	64.90	64.46	64.95
Oct	63.57	63.66	63.16	63.66
Dec	64.55	64.65	64.30	64.65
Feb	65.20	65.20	65.00	65.30
April	66.00	66.00	65.60	66.00
June	65.65	65.65	65.75	66.00

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
June	47.85	48.40	47.70	48.85
July	50.65	51.15	50.50	51.52
August	50.60	50.85	50.35	51.05
Oct	47.00	47.25	46.90	47.45
Dec	48.25	48.40	47.95	48.52
Feb	48.95	49.10	48.82	49.25
April	45.87	45.87	45.55	45.75
June	48.10	48.10	48.00	48.45
July	49.00	49.00	48.90	49.10

MAIZ 0,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
July	272.4	273.0	272.0	272.0
Sept	256.5	258.0	256.4	257.4
Dec	252.0	253.6	252.0	253.2
March	261.2	263.0	261.2	262.6
May	265.2	267.2	265.0	267.4
July	264.4	268.4	264.4	268.0
Sept	252.0	253.2	252.0	253.2

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
July	65.10	66.47	64.85	66.57
August	65.02	65.30	64.65	65.50
Feb	72.92	73.00	72.40	72.95
March	72.70	72.70	72.50	72.75
May	73.72	73.72	73.30	73.75
July	73.95	73.96	73.70	74.06

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
July	559.4	561.6	556.0	558.5
August	566.0	558.2	555.2	555.2
Sept	552.4	556.2	552.4	563.4
Nov	558.6	563.2	557.4	560.6
Jan	566.6	573.0	567.4	571.2
March	579.4	583.4	578.4	582.0
May	587.4	590.4	586.0	589.0
July	593.0	597.0	593.0	595.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
July	118.5	119.0	118.0	118.1
August	121.5	121.9	121.1	121.1
Sept	124.3	124.8	124.1	124.0
Oct	127.1	127.5	127.1	126.8
Dec	132.3	133.2	132.2	132.5
Jan	134.5	135.8	134.5	135.1
March	139.3	141.1	139.1	140.1
May	145.0	145.5	145.0	145.0
July	149.0	149.0	148.0	149.3

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
July	30.25	30.39	29.86	30.09
August	29.02	29.10	28.73	28.86
Sept	28.05	28.13	27.75	27.87
Oct	26.87	27.17	26.86	27.08
Dec	25.82	26.27	25.80	26.15
Jan	25.41	25.85	25.40	25.75
March	25.05	25.30	25.05	25.35
May	24.70	25.00	24.65	24.93
July	24.55	24.78	24.55	24.88

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
July	312.4	314.2	312.4	312.6
Sept	315.2	317.4	315.0	316.2
Dec	325.2	327.4	325.0	326.4
March	327.6	330.5	327.2	330.0
May	318.2	319.0	319.0	317.0
July	298.0	301.0	295.0	298.5

SPOT PRICES—Chicago loose lard 19.00 (18.50) cents per pound. Handy and Harman silver bullion 620.0 (602.0) cents per troy ounce.

OTHER MARKETS

PARIS

SUGAR—(FFr per tonne): Aug 1273/1276, Oct 1289/1293, Dec 1307/1318, Mar 1363/1364, May 1410/1416, Aug 1486/1491.

COCOA—(FFr per 100 kg): May 2095 ask, July 2120 ask, Sept 2078/2083, Dec 2030/2035, Mar 2038/2044, May 2035 bid, July 2035 bid.

HIDES

HIDES—Leeds (Birmingham). Second clears. Ox: 31-35.5 kg, 96.0p a kg withdrawn (93.6p withdrawn); 26-30.5 kg, 105.0p a kg (106.1p); 22-25.5 kg, 118.0p a kg (124.1p). Cows: Under 25.5 kg, 115.0p a kg (119.3p).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. July 630.0, 634.0; Oct 624.0, 631.0; Dec 624.0, 627.0; Mar 631.0, 632.0; May 639.0, 6450; July 640.0, 650.0; Oct 618.0, 650.0; Dec 620.0, 655.0. Sales: 0.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business) New Zealand cents per kg. May 515 seller only, 512; Aug 532, 535, 533; Oct 533, 534, 534-533; Dec 532, 534, nil; Jan 534, 536, 535; Mar 543, 548, nil; May 550, 551, nil; Aug 563, 565, nil; Oct 563, 566, nil. Sales: 19.

COTTON

LIVERPOOL—Spot and shipment sales *amounted to* 135 tonnes. Moderate trading developed with Californian and Central African growths in request.

Soviet sowings behind 1984

TOTAL SPRING sowings in the Soviet Union as of May 20 reached 93.3m hectares, an increase of 24.6m for the week, but remained well behind the pace of the last three years, the U.S. Agricultural counselor said in a field report from Moscow.

Sowing is now concentrated in the central and eastern zones.

Northern Kazakhstan reported little favourable weather until a few days ago, the counselor said.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar suffers sudden fall

The dollar weakened in very quiet trading on the foreign exchange market yesterday. There were no new factors, apart from a revised fall of 2.5 per cent in U.S. non-farm productivity during the first quarter, compared with an earlier estimate of 1.2 per cent, but in the prevailing circumstances one or two large selling orders pushed the dollar down quite sharply in the afternoon. Today's leading indicators for April are expected to be flat, or possibly show a slight fall, and it is anticipated tomorrow's trade figures will record another very large deficit. The dollar was little changed at around DM 3.11 until the opening of the New York market, but quickly lost 3 pfennigs and finished around its lowest levels of the day.

The dollar fell to DM 3.0780 from DM 3.1130; FFr 9.39 from FFr 9.4550; and SwFr 2.5875 from SwFr 2.6185, but improved slightly to 251.70 from Y251.55.

On Bank of England figures the dollar's index fell to 146.4 from 146.8.

STERLING — Trading range against the dollar in 1985 is 1.2940 to 1.0525. April average 1.24.14. Exchange rate index rose 0.3 to 79.3, the highest level of the day. The index opened at 79.2 and apart from falling to 79.1 at 9 am was at 79.2 until the close. Six months ago the index was 74.3.

The UK April trade deficit was slightly larger than expected, but was much better than the revised record shortfall in March, while the current account balance of payments was in surplus. The figures had little impact on the foreign exchanges however, with sterling quietly firm throughout. Shrugging off any nervousness about lower oil prices, and underpinned by high London interest rates, the pound rose 1.60 cents to $1.2670-1.2680. Sterling also improved to DM 3.90 from DM 3.8950; FFr 11.90 from FFr 11.8850; and Y319 from Y314.75, but fell to SwFr 3.2775 from SwFr 3.2825.

D-MARK — Trading range against the dollar in 1985 is 3.4510 to 2.8730. April average 3.0856. Exchange rate index 121.7 against 120.8 six months ago.

The D-mark rose against the dollar in thin Frankfurt trading. Europe was generally quiet, with many dealers in Toronto for a foreign exchange conference, and for most of the day the U.S. currency hovered around DM 3.11, little changed from overnight. The Bundesbank did not intervene when the dollar was fixed at DM 3.1090 in Frankfurt compared with DM 3.1127 on Tuesday. Opinions were divided about the future trend in U.S. interest rates, with some observers anticipating another cut in the Federal Reserve's discount rate, while others believe that rates have probably reached their lowest levels in the immediate future. It was also suggested today's U.S. leading indicators may show a slight fall, but this had little impact. In Frankfurt the dollar finished at DM 3.0910 compared with DM 3.1130.

STERLING INDEX

	May 29	Previous
8.30 am	79.2	79.0
9.00 am	79.1	79.0
10.00 am	79.2	79.1
11.00 am	79.2	79.1
Noon	79.2	79.0
1.00 pm	79.2	79.0
2.00 pm	79.2	79.1
3.00 pm	79.2	79.1
4.00 pm	79.3	79.0

£ IN NEW YORK

	May 28	Prev. close
£ Spot	$1.2670-1.2680	$1.2545-1.2555
1 month	0.50-0.49 pm	0.01-0.49 pm
3 months	1.47-1.46 pm	1.50-1.46 pm
12 months	3.85-3.75 pm	3.95-3.85 pm

Forward premiums and discounts apply to the U.S. dollar

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu May 29	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian franc	44.9008	45.1564	+0.57	+0.57	±1.5471
Danish krone	8.14104	8.08730	−0.01	−0.91	±1.6410
German D-mark	2.24184	2.24410	+0.10	+0.10	±1.1475
French franc	6.87456	6.83842	−0.53	−0.53	±1.3659
Dutch guilder	2.52595	2.53136	+0.21	+0.21	±1.5171
Irish punt	0.72569	0.718435	−1.28	−1.28	±1.6673
Italian lira	1403.49	1431.71	+2.01	+2.01	±4.0410

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT—FORWARD AGAINST POUND

May 29	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2580-1.2690	1.2670-1.2680	0.50-0.47c pm	4.59	1.50-1.45pm	4.65
Canada	1.7318-1.7505	1.7495-1.7505	0.41-0.32c pm	2.50	1.31-1.17pm	2.83
Nethlnd.	4.38¾-4.40¾	4.39¾-4.40¾	2-1⅞c pm	5.11	6⅛-5⅞pm	0.68
Belgium	78.37-78.05	78.40-78.70	26-20c pm	3.50	76-67pm	3.69
Denmark	13.98½-14.08	14.05-14.06	4¼-3¼ore pm	3.20	12½-11½pm	3.45
Ireland	1.2438-1.2484	1.2448-1.2468	0.09c pm-0.07 dis	−0.96	0.38pm-0.06d	0.51
W. Ger.	3.89½-3.90¾	3.89½-3.90½	2¼-2pf pm	3.54	6⅞-6½pm	8.85
Portugal	218.54-225.89	221.83-225.89	100-420c dis	−13.98	300-1180dis	−12.66
Spain	219.81-221.02	219.91-220.45	5c pm-25 dis	−0.80	10-65dis	−0.68
Italy	2,482-2,495½	2,493-2,495	par-2 lire dis	−0.48	1-4dis	−0.40
Norway	11.19-11.30	11.20-11.30	¼ore pm-½ dis	−0.15	¼pm-½dis	0.17
France	11.85-11.96½	11.89½-11.90½	2½-2c pm	2.27	7½-6½pm	2.52
Sweden	11.24-11.32	11.31-11.32	3¼-3⅞ore dis	−3.78	9-9⅞dis	−6.34
Japan	315½-320	318-320	1.60-1.50y pm	5.83	4.95-4.80pm	0.11
Austria	27.34-27.49	27.34-27.41	14-12½gro pm	5.81	42¾-38¾pm	4.48
Switz.	3.27¼-3.28¼	3.27½-3.28	2-1⅝c pm	8.88	6-5¾pm	7.09

Belgian rate is for convertible francs. Financial franc 79.02-79.16. Six-month forward dollar 2.55-2.50c pm. 12-month 3.95-3.80c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

May 29	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2530-1.2690	1.2670-1.2680	0.50-0.47c pm	4.59	1.50-1.45pm	4.65
Ireland†	1.0058-1.0180	1.0170-1.0190	0.39-0.36c pm	4.47	1.08-1.00pm	4.12
Canada	1.3810-1.3842	1.3812-1.3818	0.25-0.27c dis	−2.26	0.64-0.67dis	−1.89
Nethlnd.	3.4670-3.5195	3.4700-3.4720	0.13-0.10c pm	0.39	0.75-0.72pm	0.84
Belgium	62.00-62.90	62.00-62.10	6-7c dis	−1.25	15-17dis	−1.02
Denmark	11.06½-11.19½	11.06¾-11.07¾	1-1½ore dis	−1.34	2¾-3¼dis	−1.07
W. Ger.	3.0730-3.1125	3.0775-3.0785	0.48-0.45pf pm	1.81	1.75-1.70pm	2.22
Portugal	175¾-178½	175½-176½	125-400c dis	−17.90	450-1150dis	−18.16
Spain	173.90-175.90	174.00-114.20	05-75c dis	−4.78	210-250dis	−5.24
Italy	1,967½-1,984½	1,969¾-1,971¼	8-8½ lire dis	−4.99	25-25½dis	−5.12
Norway	8.85¼-8.93½	8.85½-8.86	2¼-3½ore dis	−4.54	10½-11dis	−4.82
France	9.38½-9.49	9.38¾-9.39¼	1.75-1.85c dis	−2.28	5.70-6.00dis	−2.41
Sweden	8.92-8.98	8.93¼-8.93¾	6-6½ore dis	−8.36	18-18½dis	−8.14
Japan	251¼-252¼	251½-252	0.30-0.26y pm	1.33	0.98-0.93pm	1.52
Austria	21.70-21.87¼	21.70-21.70¼	3-2gro pm	1.37	9-6pm	1.37
Switz.	2.5800-2.6200	2.5870-2.5880	0.47-0.41c pm	2.02	1.57-1.51pm	2.38

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 62.35-62.45.

OTHER CURRENCIES

May 29	£	$		£ Note Rates
Argentina Peso	715.20-710.50	508.75-569.20	Austria	97.35-97.65
Australia Dollar	1.8970-1.9010	1.5080-1.5100	Belgium	78.60-79.30
Brazil Cruzeiro	6,752-0,764	5,570-6,590	Denmark	13.96-14.10
Finland Markka	8.0686-9.1070	0.4495-6.4525	France	11.85-11.07
Greek Drachma	170.21-173.99	135.63-138.47	Germany	3.89-3.93
Hong Kong Dollar	9.7880-9.7970	7.7725-7.7746	Italy	2475-2510
Iran Rial	110.50*	92.50*	Japan	314-319
Kuwait Dinar (KD)	[illegible]	[illegible]	Netherlands	[illegible]
Luxembourg Fr.	[illegible]	[illegible]	Norway	[illegible]
Malaysia Dollar	[illegible]	[illegible]	Portugal	[illegible]
New Zealand Dlr.	[illegible]	[illegible]	Spain	[illegible]
Saudi Arab. Riyal	[illegible]	[illegible]	Sweden	[illegible]
Singapore Dollar	[illegible]	[illegible]	Switzerland	[illegible]
Sth African Rand	[illegible]	[illegible]	United States	[illegible]
U.A.E. Dirham	[illegible]	[illegible]	Yugoslavia	[illegible]

* Selling rate.

CURRENCY MOVEMENTS

May 29	Bank of England Index	Morgan Guaranty Change %
Sterling	70.5	−10.0
U.S. dollar	146.4	+31.6
Canadian dollar	87.8	−7.0
Austrian schilling	119.1	+2.0
Belgian franc	89.8	−11.3
Danish Kroner	77.2	−6.0
Deutsche mark	131.7	+0.8
Swiss franc	[illegible]	[illegible]
Guilder	[illegible]	[illegible]
French franc	[illegible]	[illegible]
Lira	[illegible]	[illegible]
Yen	[illegible]	[illegible]

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

May 29	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.788766	0.07409
U.S. $	7½	0.990138	0.72180
Canadian $	9.50	*	0.99840
Austria Sch.	4½	21.6434	15.7701
Belgian Fr.	9.75	61.9628	45.1564
Danish Kr.	7	11.0747	8.06730
D mark	4½	3.07834	2.24410
Guilder	5	3.47241	2.53136
French Fr.	[illegible]	[illegible]	[illegible]
Lira	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]
Norwgn Kr.	[illegible]	[illegible]	[illegible]
Spanish Pta.	[illegible]	[illegible]	[illegible]
Swedish Kr.	[illegible]	[illegible]	[illegible]
Swiss Fr.	[illegible]	[illegible]	[illegible]
Greek Dr'ch	[illegible]	[illegible]	[illegible]
Irish Punt	[illegible]	[illegible]	[illegible]

* CS/SDR rate for May 28: 1.38925.

EXCHANGE CROSS RATES

May 29	Pound Sterling	U.S. Dollar	Deutschem'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.268	3.900	319.0	11.90	3.278	4.400	2494.	1.750	78.95
U.S. Dollar	0.789	1.	3.077	251.7	9.389	2.586	3.471	1968.	1.381	62.05
Deutschemark	0.256	0.325	1.	81.70	3.051	0.840	1.128	639.5	0.449	20.17
Japanese Yen 1,000	3.135	3.973	12.23	1000.	37.30	10.27	13.79	7818.	5.486	246.5
French Franc 10	0.840	1.065	3.277	268.1	10.	2.754	3.697	2096.	1.471	66.09
Swiss Franc	0.305	0.387	1.190	97.33	3.631	1.	1.342	761.1	0.534	24.00
Dutch Guilder	0.227	0.288	0.886	72.50	2.705	0.745	1.	566.8	0.398	17.88
Italian Lira 1,000	0.401	0.508	1.564	127.9	4.771	1.314	1.764	1000.	0.702	31.54
Canadian Dollar	0.571	0.724	2.229	182.3	6.800	1.873	2.514	1425.	1.	44.94
Belgian Franc 100	1.271	1.612	4.960	405.6	15.13	4.167	5.594	3171.	2.225	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

May 29	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 Days' notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Asian $ (closing rates in Singapore): Short-term 7 13/16-7 15/16 per cent; seven days 7 13/16-7 15/16 per cent; one month 7 13/16-7 15/16 per cent; three months 7⅞-7⅞ per cent; six months 8 3/16-8 5/16 per cent; one year 8 11/16-8 13/16 per cent. Long-term Eurodollars: two years 9½-9¾ per cent; three years 9⅞-10⅛ per cent; four years 10⅛-10½ per cent; five years 10½-10¾ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

UK rates show little change

Interest rates were hardly changed in London yesterday as the relaxed attitude in the market continued. There were no new factors to influence trading with UK trade figures digested without any reaction. Three-month interbank money was quoted at 12⅝-12¾ per cent from 12⅝-12 11/16 per cent while three-month eligible bank bill were bid at 12 per cent, unchanged from Tuesday. Overnight interbank money spent most of the day at 12⅝-12¾ per cent with a trading range of 12 per cent to 13½ per cent.

UK clearing banks base lending rate 12½-12¾ per cent since April 19

The Bank of England forecast a shortage of around £800m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £424m and the unwinding of previous sale and repurchase agreements a further £547m. These were partly offset by Exchequer transactions which added £165m and a fall in the note circulation of £10m.

To help alleviate the shortage the Bank offered an early round of assistance which totalled £203m and comprised purchases of £12m of local authority bills and £81m of eligible bank bills in band 1 (up to 14 days) at 12⅜ per cent and £59m of eligible bank bills in band 2 (15-33 days) at 12⅜ per cent. In band 3 (34-63 days) it bought £8m of local authority bills and £27m of eligible bank bills all at 12⅜ per cent and in band 4 (64-91 days) £4m of local authority bills and £12m of eligible bank bills at 12 per cent.

The forecast was revised before taking into account the early help to a shortage of £850m and the Bank gave additional help in the morning of £269m. This comprised purchases of £176m of eligible bank bills in band 1 at 12⅜ per cent, £46m in band 2 at 12⅜ per cent, £23m in band 3 at 12⅜ per cent and £24m in band 4 at 12 per cent. Further assistance in the afternoon amounted to £240m and was made up of purchases of £1m of Treasury bills and £4m of eligible bank bills in band 1 at 12⅜ per cent and £165m of eligible bank bills in band 2 at 12⅜ per cent. In band 3 it bought £3m of Treasury bills and £32m of eligible bank bills at 12⅜ per cent and in band 4 £24m of Treasury bills and £11m of eligible bank bills at 12 per cent. Late assistance came to £90m, making a total of £802m.

MONEY RATES

May 29	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	0.90-6.00	10⅛	1⅛-1⅛	7⅛-7⅜	0.03125	10⅛-10½	6.90	19⅞-15⅛
One month	5.70-5.85	10 1/16-10 3/16	0⅛-5⅛	7 7/16-7 9/16	0.34375	14⅛-10	9⅞-9⅛	12⅝-19⅞
Two months	0.70-6.90	10⅛-10¼	—	—	—	—	—	12⅛-12⅜
Three months	0.70-0.85	10⅛-10¼	0 7/16-5 9/16	7-7⅛	6.34575	14⅞-10¼	9-9¼	12⅛-12¾
Six months	5.75-5.90	10 5/16-10 7/16	—	6 15/16-7 1/16	—	—	8-9¼	12⅛-12¾
Lombard	6.0	—	—	—	—	—	—	—
Intervention	—	10⅛	—	8⅞	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

May 29 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	12-13½	12⅝	12¾-12⅞	12½-12¾	—	—	—	—	—
2 days notice	—	—	12⅝-12¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12⅝-12¾	12⅝-12¾	12⅞	12⅛-12⅜	—	—	—	—	—
One month	12¾-12⅝	12⅝-12 11/16	12 11/16	12⅞	12⅜	12¼	12 5/16	12⅜	12¼	12 13/16
Two months	12 11/16-12 9/16	12⅝-12¾	12⅝	12⅞	12⅝	12⅛	12	12½	12⅜	12¾
Three months	12 11/16-12 9/16	12⅝-12¾	12⅝	12⅞	12¼	11⅞	11⅞	12	11 15/16	12⅝
Six months	12 11/16-12 9/16	12 11/16-12 9/16	12½	—	—	—	—	11⅞	11⅞	12 11/16
Nine months	12⅛-12	12 11/16-12 9/16	—	—	—	—	—	—	—	—
One year	12-11 15/16	12⅛-12¼	12⅛	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	12¼-13	—	12⅝	7.05-7.55	7 11/16-7 13/16	9⅝-9½
Two months	13⅛-12⅞	—	12⅜	7.5-7.7	7 11/16-8⅛	9⅜-9½
Three months	13-12⅞	—	12 11/16	7.55-7.65	7 13/16-8⅛	9⅜-9½
Six months	12 13/16-12 11/16	—	12½	7.09-8.00	8-8¼	8 15/16-9 1/16
Nine months	12⅝-12⅝	—	12⅝	8.15-8.86	—	—
One year	12½-12¼	—	12¼	8.4-8.5	8¼-8½	9 5/16-9 7/16
Two years	—	11¾	—	—	—	—
Three years	—	11 11/16	—	—	—	—
Four years	—	11 11/16	—	—	—	—
Five years	—	11 11/16	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period April 3 to May 7 (inclusive): 12.787 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 13½ per cent from May 1, 1985. London and Scottish Clearing Bank Rates for lending 12½-13¾ per cent. Bank Deposit Rates for sums at seven days' notice 6.65-7.25 per cent (net). Treasury Bills: Average tender rate of discount 11.9211 per cent. Certificates of Tax Deposit (Series 6): Deposits £100,000 and over held under one month 12¾ per cent; one-three months 12¾ per cent; three-six months 12½ per cent; six-nine months 12¼ per cent; nine-12 months 12¼ per cent. Under £100,000 11¾ per cent from May 14. Deposits held under Series 5 12¼ per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. May 29)

3 months U.S. dollars	
bid 7 5/8	offer 7 7/8

6 months U.S. dollars	
bid 7 15/16	offer 8 5/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10
Broker loan rate	8½-8¾
Fed funds	7⅞
Fed funds at intervention	7 13/16

Treasury Bills

One-month	6.45
Two-month	7.00
Three-month	7.25
Six-month	7.39
One-year	7.58

Treasury Bonds

Two-year	100⅞
Three-year	101 13/32
Four-year	104⅞
Five-year	105⅞
Seven-year	107⅛
10-year	104 17/32
30-year	104⅞

FINANCIAL FUTURES

Quiet trading

Trading was mostly rather quiet in the London International Financial Futures Exchange yesterday with few fresh factors to influence the market. There was little activity during the morning but business picked up a little in the afternoon as U.S. markets came in as quite heavy sellers of dollars. A downward revision in U.S. industrial business productivity figures exacerbated the trend in thin trading with stop loss orders accelerating the downward move.

Euro-dollars finished above the day's lows however despite a slightly higher than expected Federal funds rate. Selling dried up during the afternoon with the market now looking at today's leading economic indicators and new home sale figures for further guidance. In addition there was continued speculation over the timing of a further cut in the U.S. discount rate.

Sterling based instruments opened on a steady note ahead of UK trade figures. Sterling's firmer trend provided a comforting undertone while gilt values took store from Tuesday's late rally in the U.S. bond market. Both sectors finished above the day's lows with a further improvement by the pound aiding sentiment.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
June	92.07	92.11	92.06	92.16
Sept	91.42	91.47	91.40	91.52
Dec	90.99	91.03	90.97	91.07
March	90.61	90.67	90.60	90.72
June	90.29	90.32	90.28	90.42

Estimated volume 3,393 (5,011)
Previous day's open int 19,487 (19,428)

THREE-MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev
June	87.34	87.40	87.29	87.33
Sept	88.24	88.30	88.15	88.26
Dec	88.64	88.66	88.61	88.57
March	88.74	—	—	88.69
June	88.80	—	—	88.84

Estimated volume 1,735 (1,071)
Previous day's open int 7,387 (7,484)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
June	105-29	105-29	105-07	105-08
Sept	109-19	109-16	108-30	108-23
Dec	109-24	—	—	108-29
March	109-12	—	—	108-17

Estimated volume 1,939 (1,972)
Previous day's open int 3,923 (3,853)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) −10 to par (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.2612	1.2612	1.2535	1.2485
Sept	1.2475	1.2475	1.2400	1.2345
Dec	1.2370	—	—	1.2240

Estimated volume 17 (32)
Previous day's open int 9,888 (9,908)

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.3242	0.3242	0.3220	0.3208
Sept	0.3260	0.3261	0.3260	0.3227

Estimated volume 22 (43)

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.3850	0.3850	0.3826	0.3810
Sept	0.3871	—	—	0.3836

Estimated volume 22 (22)
Previous day's open int 179 (187)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.3973	0.3973	0.3968	0.3977
Sept	0.3988	0.3988	0.3988	0.3994

Estimated volume 4 (13)
Previous day's open int 149 (154)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev
June	130.90	131.55	130.40	131.85
Sept	131.40	132.00	130.95	132.45

Estimated volume 979 (185)
Previous day's open int 1,564 (1,530)

U.S. TREASURY BONDS
8% $100,000 32nds of 100%

	Close	High	Low	Prev
June	76-00	75-10	75-31	76-10
Sept	75-02	75-13	75-03	75-10

Estimated volume 1,373 (2,379)
Previous day's open int 2,181 (2,591)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	76-04	76-07	75-31	76-12
Sept	75-03	75-08	75-00	75-12
Dec	74-06	74-09	74-03	74-14
March	73-12	73-13	73-08	73-10
June	72-00	72-20	72-17	72-27
Sept	71-28	71-29	71-25	72-05
Dec	71-09	71-09	71-06	71-18
March	—	—	—	71-01
June	—	—	—	70-17
Sept	—	—	—	—
Dec	—	—	—	69-22

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
June	92.76	92.78	92.73	92.81
Sept	92.43	92.47	92.42	92.48
Dec	—	92.12	92.08	92.12
March	—	91.78	91.78	91.91
June	91.51	91.54	91.61	91.55
Sept	91.30	—	91.30	91.32
Dec	91.10	—	91.10	91.12
March	90.93	—	90.93	90.94

CERT. DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
June	—	92.36	92.33	92.40
Sept	91.75	91.81	91.75	91.80
Dec	91.30	91.33	91.30	91.35
March	90.92	90.92	90.90	90.98

THREE-MONTH EURODOLLAR (IMM)

	Latest	High	Low	Prev
June	92.03	92.07	92.01	92.08
Sept	91.40	91.42	91.38	91.43
Dec	90.95	90.98	90.93	90.98
March	—	90.60	90.51	90.61
June	90.23	90.29	90.21	90.30
Sept	—	90.02	89.95	90.04
Dec	—	89.77	89.70	89.79
March	—	89.54	89.50	89.56

STERLING (IMM) Se per £

	Latest	High	Low	Prev
June	—	1.2610	1.2515	1.2495
Sept	1.2470	1.2470	1.2375	1.2365
Dec	—	1.2370	1.2300	1.2270
March	—	—	—	—
June	—	—	—	1.2145

GNMA (CBT) 8% $100,000

	Latest	High	Low	Prev
June	73-10	73-12	73-09	73-15
Sept	72-29	72-31	72-27	73-00
Dec	—	72-12	72-08	72-14
March	—	—	—	—
June	—	—	—	71-10
Sept	—	—	—	71-04